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Beijing Gives Governor of Hong Kong A Final Snub

Patten Leaves China After Failed Mission to Resolve Differences

By Lena H. Sun Washington Post Service

BEIJING — Hong Kong's new governor, Chris Patten, leaves China on Friday after failed talks that appear to have set Britain and China on a collision course...

But China, which does not want a more democratic Hong Kong, has rejected the proposals, saying they violate basic agreements between Britain and China over how Hong Kong will be run...

Instead, Mr. Patten was met by Foreign Minister Qian Qichen, who ranks below Mr. Li and China's five vice premiers...

Despite the failure to reach agreement, Mr. Patten said that discussions would continue. He rushed off the diplomatic snub, saying, "I'm happy to see anyone in Peking who wants to talk about the future of Hong Kong."

Mr. Patten's proposals, which he unveiled earlier this month, take advantage of gray areas in the 1984 Chinese-British Joint Declaration on Hong Kong's future...

China has pledged to allow Hong Kong to keep its capitalist economic system for 50 years after 1997, but it wants to inherit a Hong Kong can rule with an iron hand...



ANOTHER CASUALTY IN SARAJEVO — A boy wounded by mortar being helped in Sarajevo on Thursday. The United Nations resumed humanitarian relief flights to the Bosnia capital, but Croats and Muslims, supposedly allied against the Serbs, battled elsewhere in Bosnia. Page 2.

Bonn Tells Paris To Quit Stalling On Trade Talks

Posturing Stirs Confusion On Chances of EC-U.S. Pact

By Roger Cohen New York Times Service

PARIS — The European Community insisted Thursday that talks with the United States on a global trade pact could be concluded soon, but unusually sharp differences between France and Germany suggested that Europe has still not agreed what concessions it is prepared to make...

Late Wednesday, it appeared that the six-year quest for a conclusion of the so-called Uruguay Round of trade talks had again run into a brick wall. U.S. and Community officials said negotiations had collapsed after a meeting that day between Mr. O'Mara and his Community counterpart, Guy Legras...

At a time of an economic slump in the industrial world, the talks have become crucially important because many economists believe their successful conclusion could add \$100 billion a year or more to world output. But negotiations have repeatedly failed, blocked chiefly by a dispute between the United States and the Community over agricultural trade...

Into the Homestretch, Bush Finally Finds Pace

By Michael Wines New York Times Service

RALEIGH, North Carolina — As President George Bush likes to say, this is a weird election year, and now comes the latest surprise: After 10 torpid months, Mr. Bush has suddenly reawakened as a fist-shaking, stem-winding presidential candidate...

Recent gains in the polls by Ross Perot have the competition on edge. Page 3.

On a two-day train trip through the South this week, the president seems finally to have found a message he believes strikes a chord. Governor Bill Clinton cannot be trusted with the White House, he says — "a pattern of deception" is the refrain at each whistle stop...

Just Like Mulroney (Bush Hopes)

The Associated Press

WASHINGTON — President George Bush looked northward on Thursday for confidence that he would overcome Bill Clinton's lead in the opinion polls and win re-election in less than two weeks...

"He told me something of great interest to me, and I hope to you," Mr. Bush recounted. "This time exactly before his election, he was 11 points behind in the polls. And I saw a tracking poll this morning having us 12. And he won by 11 points. And it was exactly this far, whatever it is, 12 days before the election. And that's why I am absolutely convinced I'm going to win."

On Wednesday in Kannapolis, North Carolina, Bush struck the themes that

and compared his record with that of Mr. Clinton as governor of Arkansas. "I've got to put it in perspective," Mr. Bush said. "Arkansas rates 50th in the quality of environmental initiatives, 50th in the percentage of adults with college degrees, 50th in percentage — per capita spending on criminal justice, 49th in per capita spending on police protection..."

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"I've got to put it in perspective," Mr. Bush said. "Arkansas rates 50th in the quality of environmental initiatives, 50th in the percentage of adults with college degrees, 50th in percentage — per capita spending on criminal justice, 49th in per capita spending on police protection..."

in a turn of phrase that has resonated in this region, a hothead of Atlanta Braves baseball fans, Mr. Bush compared Clinton's aspirations for the White House to

See BUSH, Page 3

Queen Is Greeted Rudely as Emperor Starts Equally Delicate Trip

Elizabeth Jeered On Dresden Visit

By Marc Fisher Washington Post Service

BERLIN — An apparently irritated Queen Elizabeth II hurried into Dresden's Kreuzkirche on Thursday after a crowd of Germans greeted her arrival at a service of reconciliation with a mix of boos, catcalls and cheers...

The queen's decision to visit the scarred city, target of the devastating and militarily meaningless British firebombing at the end of World War II, has been widely welcomed in Germany as a gracious gesture at a time of strained relations between the two allies...



"Dresden remembers," says the poster held Thursday by Lothar Wagner, who lost several family members to British firebombing.

Akihito Is Facing Dilemma in China

By David E. Sanger New York Times Service

TOKYO — As Emperor Akihito is about to begin the first visit to China by a Japanese monarch, Tokyo is again consumed by a familiar battle over its own history: how to avoid apologizing for Japanese war atrocities while at the same time appearing deeply apologetic...

Influential rightist politicians tried to scuttle the trip altogether, protesting that the emperor, and with him modern Japan, would be humiliated by seeming to kowtow to China's leadership. Publicly, at least, Tokyo has tried to shrug off the problem as a fabricated issue, insisting that the trip, like the emperor himself, is nonpolitical. But few seem convinced...

See EMPEROR, Page 2

Kiosk

Iraq and UN Sign Relief Accord UNITED NATIONS, New York (AP) — Iraq and the United Nations signed a humanitarian accord on Thursday, opening the way for a huge relief program for a country suffering under UN economic sanctions...

European Soccer UEFA Cup Second Round, First Leg Torino 1, Dynamo Moscow 2 Earlier article, Page 16

Table with financial data: Dow Jones Up 13.78, Trib Index Up 0.65%, The Dollar New York, Texas, close previous close

Moscow Reunion: After 5 Decades, American 'Feels Russian'

By Fred Hiatt Washington Post Service

MOSCOW — Five decades ago, an eccentric, left-leaning American teacher brought his family to Russia to help build socialism in the young Soviet Union. In his enthusiasm, he insisted that his oldest son become a Soviet citizen...

Chicago 76 years ago, said Thursday after awkwardly greening his sister. "I have a Russian wife and Russian children. I speak only in Russian. I think only in Russian."

Since President Boris N. Yeltsin of Russia announced earlier this year that former American prisoners-of-war might still be living here, a joint commission has been sifting through rumors and combing the nation in a thus-far fruitless effort...

met my wife there, we had two children. Of course, we had many — he propped, could not find the English word, and said in Russian, "trudnasty." Difficulties.

He made it clear he had no intention of leaving Russia. In 1932, Willard and Helen Edwards were teaching at the progressive Organic School of Education in Fairhope, Alabama, when he decided the revolution with the Soviet Union's young Bolshevik revolution...

Willard Edwards soon lost interest, his daughter recalled. The Communists had moved away from his style of progressive education, and the education commissar who had recruited him was one of the early victims of Stalin's mass arrests. So Mr. Edwards went home, in 1935.

"He was going to be the great adventurer in Russia," Mrs. Ewing recalled. "It just didn't work out." His wife, no happier in Moscow, stayed on with her children because her oldest son could not leave. The family adjusted as best it could. Marjorie, Pioneer scout tied around her neck, marched through Red Square each November Revolution Day, part of the throng genuflecting to Stalin atop Lenin's mausoleum. Dan found work in a watch factory, putting himself through night school at the same time...

See REUNION, Page 2

ADERS IN HOLLAN

CAMPAIGN '92 / THE PASSPORT FILES SEARCH

Big Hunt, Small Game in Clinton Dossier

By Walter Pincus and Michael Isikoff
Washington Post Service

WASHINGTON — State Department officials searched old sport and other consular files for two days in an effort to find records not only about Bill Clinton but also his mother, officials say.

The files were screened on the evening of Sept. 30 and all day Oct. 1 for material on "Virginia Dell Clinton" and "Virginia Dell Clinton" as well as her son under his original name, "William Jefferson Clinton," and his adopted name, "William Jefferson Clinton," officials said. The Democratic presidential nominee adopted the surname of his stepfather, Roger Clinton, in 1962, when he was 15.

The State Department based its expedited original search for information about Mr. Clinton on Freedom of Information Act requests filed by three news organizations between Sept. 14 and Sept. 26. Acting Secretary of State Lawrence S. Eagleburger initiated an investigation into the matter last Friday to

determine if the requests had been improperly handled.

None of the three Freedom of Information Act requests sought information on Mr. Clinton's mother. One, by ABC News, asked for information on Mr. Clinton "born William Jefferson Boyette IV," misspelling his name.

A State Department official said the search for files on the candidate's mother was a "routine" part of any records search on an individual. After seeing her name on his passport applications, the officials routinely began looking up files for her in case his records may have been mistitled under her name, the official said.

But another department official familiar with the dispute expressed surprise that employees had searched for files on Mr. Clinton's mother, saying, "I never heard his mother mentioned."

[Mr. Clinton told a crowd in Seattle on Thursday that the State Department had been "not only rifling through my files but investigating my mother, a well known subversive. It would be funny if it weren't so pathetic," The Associated Press reported.

[His communications director, George Stephanopoulos, termed the incident "a monumental abuse of power" mounted "solely for the purpose of assembling a political smear."

The Freedom of Information Act requests were filed by news organizations in response to rumors, fed in part by Republicans, that Mr. Clinton had explored changing his citizenship during the Vietnam War. Mr. Clinton has denied this, and no evidence to the contrary has come to light.

Sources said the search for records about Mr. Clinton and his mother was requested on Sept. 30 in a 5 P.M. telephone call by Richard P. McClevey, chief of program support services for the State Department's office of passport services, to National Archives employees at the National Records Center in Suitland, Maryland.

Mr. McClevey and Carmen DiPlacido, then acting deputy assistant secretary for passport services, and Steven Mobebean, a political



Bill Clinton's campaign went autumnal in Pueblo, Colorado, where the speaker's platform was decorated with pumpkins and corn stalks.

★ ELECTION NOTES ★

Clinton Is Leading in Press Endorsements

NEW YORK — For the first time since 1964, it appears likely that a Democratic candidate for president will receive more newspaper endorsements than his Republican opponent.

In a nationwide survey of newspapers, the industry journal Editor & Publisher found 149 endorsements for Bill Clinton and 121 for George Bush, the magazine's managing editor, John Consooli, said Thursday.

Since 1940, when E&P began conducting its quadrennial survey, only one Democrat has received a majority of endorsements. That was Lyndon B. Johnson, who received 440 endorsements in 1964. Republican Barry Goldwater got 359.

Newspaper publishers, a famously conservative lot, have preferred Wendell L. Willkie over Franklin D. Roosevelt, Thomas Dewey over Harry S. Truman, Richard Nixon over John F. Kennedy and Gerald R. Ford over Jimmy Carter. They have endorsed every successful Republican candidate as well.

But there has been a gradual trend away from endorsing candidates. In 1988, 416 respondents to E&P's survey took no stand.

The survey lists only one newspaper — the McCook, Nebraska, Daily Gazette — as endorsing Ross Perot, though at least one other, The Connecticut Post in Bridgeport, has done so.

The York County Coast Star, a weekly newspaper that serves Mr. Bush's summer home in Kennebunkport, Maine, endorsed Mr. Clinton. The newspapers in Houston, where Mr. Bush maintains his voting address, have not spoken, but Mr. Clinton picked up the support of the Hope Star, the newspaper in the Arkansas town where he was born. It was the first time in its 93 years that the Star had endorsed a presidential candidate. (AP)

Bush Camp Drops TV Ad Using Time Cover

WASHINGTON — A Time magazine demand for a court order to halt a Bush-Quayle commercial became moot Wednesday when a campaign lawyer said the ad, featuring a Time cover, was pulled from the airwaves.

U.S. District Judge Gerard A. Gesell agreed there was no need to grant the emergency injunction sought by Time.

The ruling did not end Time's lawsuit, however. Time's attorney, David J. Branson, insisted that the case go to trial to decide whether the magazine suffered trademark infringement and, if so, whether damages should be awarded.

The ad, which attacked Bill Clinton's draft record, featured Time's April 20, 1992, cover with a distorted, black-and-white picture of the Democratic nominee. It had the headline: "Why Voters Don't Trust Clinton." The 30-second ad does not explain that the cover was from April.

"Viewers and newspaper writers believe Time is sponsoring that ad," Mr. Branson said. (AP)

Ex-Reagan Aide Balks at 'Nice Words' Now

WASHINGTON — Kenneth Adelman, Ronald Reagan's arms control and disarmament agency chief and a friend of Vice President Dan Quayle, represented the Bush-Quayle campaign in a bipartisan debate on military issues.

When someone from the audience at the Crystal Gateway Marriott in Arlington, Virginia, asked whether George Bush's chief of staff, James A. Baker 3d, and the budget director, Richard G. Darman, would not favor cutting military spending even more than Mr. Clinton, Mr. Adelman replied: "You're not going to put me in a position where I have to say nice words about Darman and Baker at this point, are you? I won't do it. I have some principles."

Mr. Adelman also declined the use of recently retired generals and admirals to endorse candidates — and later blamed the Bush team for starting it. (WP)

Quote-Unquote

Marilyn Quayle, the vice president's wife, after being heckled by students at the University of Northern Colorado:

"You want to know something? I heard somebody talking about potato. I guarantee you. I know my husband can't spell. That's why we have a spell-check on his computer. But what is really important is that Dan Quayle knows the difference between offensive and defensive missile systems, and Bill Clinton does not." (AP)

Away From the Hustings

One of seven young white men charged in the beating to death of a Vietnamese-born man was found guilty by a jury in Fort Lauderdale, Florida. Luyen Phan Nguyen, 19, had objected to a racial slur. The defendant, Bradley W. Mills, 19, of Tamarac, was convicted of a single count of second-degree murder in the death of the pre-medical student at the University of Miami. A second trial, for the 10 other defendants, is scheduled for January.

More than 600,000 people seeking disability payments from the Social Security Administration are waiting as long as four months to be if they qualify because the government does not have enough employees to handle the paperwork, an advocacy group said. The backlog has grown from 263,000 in 1988 to 608,000 through the first nine months of this year, a report by Families USA Foundation said.

Hurricane Andrew is now the world's costliest insured loss from a natural disaster, the American Insurance Services Group Inc. said in Miami. The estimate of the storm's damage has been raised from 7.8 billion to \$10.7 billion.

A mild earthquake struck southern California with no early reports of casualties or damage. It measured 3.5 on the Richter Scale, which said the tremor appeared to be an independent event, unconnected with either this summer's Lander-Big Bear quake or 9th warnings of an impending major quake near central California's San Andreas fault.

The 26th execution in the United States this year — the most in 30 years — has been carried out at Potosi Correctional Center, Missouri. Ricky Lee Grubbs, 33, was executed by injection for the murder of a 17-year-old woman. The assailant stabbed his friend to death, then cut back the next day and set fire to his mobile home to destroy the evidence.

A teacher distraught over learning she had multiple sclerosis gave a student \$100 to buy a gun and kill her. The teen-ager shot her in a hotel stairwell, authorities said in East New York. But the teacher survived. Barbara Mendez, 23, was wounded in the shoulder and was leased from the hospital after a short stay. The police said she initially told them after the shooting that she had not seen her assailant.

NYT, WP, AP, UPI

Perot Surge Puts the Competition On Edge

WASHINGTON — Republicans and Democrats made fresh appeals to backers of Ross Perot on Thursday as the major parties tried to stem a surge by the independent candidate that could upend the presidential race in the final days.

The increase in Mr. Perot's support, while significant, has not been enough to lift him from third place in national polls or chop much off Bill Clinton's double-digit lead over President George Bush.

Mr. Perot's momentum was evident in a number of new national and state polls, and the Texas billionaire hoped to capitalize with a new advertising blitz that counters arguments that a vote for him is wasted.

Mr. Perot's rise was illustrated Wednesday night in a new ABC News poll of 710 registered voters who watched the final debate. Among these voters, Mr. Perot rose to 19 percent, from 11 percent. Mr. Clinton led with 48 percent and Mr. Bush held steady at 29 percent.

Mr. Perot's gains came from Mr. Clinton, who was at 52 percent in a previous poll, and as the percentage of voters calling themselves undecided dropped to 4 percent, from 8 percent. But, according to this poll, Mr. Perot was closer to Mr. Bush than Mr. Clinton was to Mr. Clinton.

Officials in his campaign predicted that Mr. Perot would stump the country in the final days before the election, a marked departure from the interviews, television advertising and debates that have been his only campaigning since he re-entered the race three weeks ago.

Mr. Perot's momentum, particularly in several Western states, was drawing the attention of a front-running Clinton campaign wary of any development that confuses its strategy for the final 13 days.

"It's a problem," said the Clinton communications director, George Stephanopoulos. "Obviously, the higher he goes, the more he takes from us."

Still, Clinton strategists remained convinced that Mr. Perot would not fundamentally affect the outcome in November. They believe that Mr. Perot's improved standing could hurt them in such important Midwestern states as Michigan but could hurt Mr. Bush in California and Texas.

Some Bush advisers were hoping that Mr. Perot would draw a large block of support from Mr. Clinton and that those voters might then be swayed by Mr. Bush if they become convinced Mr. Perot cannot win.

"I don't think he can possibly win," Mr. Bush said on "CBS This Morning." The president said Perot supporters wanted to make a statement about their disenchantment with government.

"But when they go into that booth they're going to say, 'I'm not going to waste my vote,'" Mr. Bush said. "And it's a little more complicated than opening the hood, sticking your head in there and say, 'I'll fix it.' It's a little more difficult in the real world."

Mr. Bush said Mr. Perot had "some good ideas and some nutty ideas" and that he had made some "crazy statements" in the campaign.

Senator Al Gore of Tennessee, Mr. Clinton's running mate, had no direct criticism of Mr. Perot during an appearance on NBC-TV, but he predicted that the independent's newfound support would trail off before Election Day, Nov. 3.

Mr. Gore said Americans were "especially eager not to waste their vote, not to cast a vote that will not materially affect the outcome of the race."

Mr. Perot's new advertisements are designed to counter those arguments. The ads focus on trickle-down economics, health care reform, urban problems and government waste. Each ends by saying: "This is no time to waste our votes on politics as usual. It is time for a candidate who will get down to business." (AP, WP)

In U.S. and Europe, Ripples of Anti-Incumbency

By Joseph Fitchett
International Herald Tribune

PARIS — Are voters in all the major Western democracies on the verge of toppling their incumbent leaders? Would a victory by Governor Bill Clinton fit into a wider trend embracing Britain, France and possibly Germany and presaging a new generation of leaders for the 1990s?

Suggestions of an electoral domino-effect are gaining credence among analysts in the United States, Europe and Japan, who cite the precedent of a similar wholesale turnover in governments at the end of the 1970s.

In changes clustered around the pivotal year 1980, Margaret Thatcher triumphed over a Labor government in Britain; Ronald Reagan unseated President Jimmy Carter; Helmut Kohl ended years of Social Democratic government in Germany, and François Mitterrand ended a quarter-century of center-right administration in France.

Those victors of the early 1980s — or, in some cases, their heirs — are now in turn threatened by a similar wave of rejection by voters, according to policy planners working for governments or opposition parties in all these countries.

An exception may be Prime Minister John Major of Britain, who in some respects is perceived as a successor to Lady Thatcher who offers change within the same party. Even though Mr. Major's parliamentary majority protects him from

ouster over the coal-mine crisis, his sudden troubles reflect the same domestic revolt that incumbents are facing in other nations.

In their reading of this trend, analysts highlight a new factor in the electoral politics of democracy: the growing impact on voters of international economic forces that are beyond governments' control but strike almost simultaneously throughout an increasingly interdependent industrialized world.

The result, analysts say, is an electoral mood of disillusion with strongly ideological programs, which in 1980 appeared to offer a robust response to global economic turbulence. As a result, many rising politicians are more cautious, replacing political steadfastness with a more pragmatic approach that promotes practical improvements in ordinary people's lives.

Characteristically, Mr. Clinton, defining his key differences with President George Bush, said this week that he would never give a "read-my-lips" commitment not to raise taxes, as Mr. Bush did. The global economic environment, Mr. Clinton said, can spring so many surprises that a serious politician should never say never.

This more flexible approach is characteristic of European politicians seeking to unseat incumbents who have been forced to contradict the doctrinaire programs that got them elected.

Beyond the fact that the Cold War's end seems to have produced a shock of change

or "disenchantment," as a London newspaper said this week, a wave of interlocking economic frustrations is rocking the Western democracies. Even in Japan, the political system is being buffeted by scandals.

The push toward a generational change started in Britain last year when Lady Thatcher stepped down and Mr. Major was elected. The leaders in the United States and Germany, who have approached similar to Thatcherism, are also threatened. And the governing French Socialists, who in practice have shared some of this economic-management style, are experiencing troubles.

Whatever the nominal variations, analysts say, there is an essential similarity in the position of all these governments. They were all brought to power around 1980 by voters blaming incumbents for failing to protect them from the economic woes that arose after the oil crises of 1973 and 1978 — a sense of insecurity reinforced by signs of a growing Soviet menace.

Today, in contrast, the leaders under threat can claim that they led their countries to historic successes:

- It was on Mr. Bush's watch that the Cold War ended.
- Mr. Kohl achieved the re-unification sought by his country for a half-century.
- Lady Thatcher smashed the grip of Britain's trade unions.

• Mr. Mitterrand assured the Socialist national prestige, as a major government party of a sort never previously achieved in the party's century-long history.

Yet, all these governments are facing electoral rejection.

Looking for a common thread, analysts say that governments are blamed individually by voters for failing to cope with domestic economic problems that are partly a result of overriding geoeconomic developments.

Voters articulate this frustration in larger terms, an analyst said, as a feeling that they have been "betrayed" — a diffuse sentiment that somehow leaders failed to deliver on promises that lay beyond the letter of their platforms.

Often this feeling is vented in the idea that doctrinaire leaders of the 1980s destroyed the ideas that they championed. Voters in the United States and Britain seem to feel that a leadership turned out to be in tune with the silent majority yearned to put theory ahead of people's needs.

Conversely, Mr. Mitterrand's "people of the left," who had presented themselves as gentler, more honest souls than their center-right predecessors, turned out not to be.

In a variation on the theme of disappointment, the reality of Mr. Kohl's new Germany, especially as Germans are starting to realize how much it costs, is much less entrancing than the dream.

BUSH: Barnstorming

(Continued from page 1)

"sending some Little League guy to coach the Braves."

He has said this before, probably thousands of times, but maybe never with the passion and directness that enliven his oratory on this trip.

On swing after swing this year, he has seemed to be almost oblivious to his growing political peril.

By comparison, he is campaigning this week, tortured and all, with the abandon of a Hubert H. Humphrey, slapping at the pollsters and press who have written him off with almost the same fervor in which he attacks Mr. Clinton.

At times, there are shades of candidate Bush in happier days, so visibly wrapped up in his oratory that he gets carried away by it, tossing away his memorized text.

He calls the Democratic vice presidential candidate, Al Gore, "the ozone man," a jab at his devotion to environmental causes, and warns that a Clinton presidency would mean "no timber workers, only a bunch of owls."

On Wednesday, the Bush campaign began broadcasting three new commercials, two using person-in-the-street interviews to attack Mr. Clinton on the draft, his honesty and his credentials as a potential commander in chief. It seeks to hammer home themes that Mr. Bush emphasized Monday night in the final debate.

A third advertisement takes the high road, showing soft images of the president in the Oval Office and with his wife, Barbara, and their grandchildren. It seeks to portray him as a man who was an international leader and now could help "do the same at home."

The extent of the change in Mr. Bush's campaign style is subjective, but the crowds, his largest to date, clearly react to it.

"He looks confident," George Stacey, a North Carolina insurance-company worker, volunteered in Kannapolis, a textile center near Charlotte. "That's a change."

"He's as strong as he's ever been," Berry Hill, manager of a carving-company plant, said in the North Carolina furniture capital of Thomasville. "I don't know what more anybody could ask for."

It would be wrong to make too much of Mr. Bush's transformation, which comes very late, could prove temporary and has an immeasurable impact on voters anyway.

Party faithful always rally to the standard-bearer in the final days of a race. Michael S. Dukakis spoke well and drew huge crowds in the last month of the 1988 presidential contest, but Mr. Bush soundly defeated him. Mr. Clinton remains a much better attraction on the campaign trail most days this time than the president.



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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Start Looking Forward

Despite all the public preoccupation with the economy, George Bush and Bill Clinton have had plenty to say about foreign policy. The problem is that most of it looks backward. By failing to talk about America's future role in the world, whoever wins on Nov. 3 is missing the chance to claim popular support for needed change.

from offering departures of his own. Recently, in a splendid initiative, he called for "a pro-democracy foreign policy," de-emphasizing military in favor of political and economic means. That is best pursued in concert with others — "a global alliance for democracy," he calls it — and through the United Nations.

A Way to Help Somalia

Somalia's nightmare is nowhere near an end. The emaciated children who come to our living rooms each evening are still dying from hunger. But Somalia suffers from more than famine and rampant lawlessness. The death toll mounts as more of the little bodies — and the mothers and the elderly and the sick who sit silently in the camps waiting for food — simply die without a struggle to growing epidemics.

well worth a try. By Dec. 31, Unicef wants to get enough food and supplies to stations in Somalia to feed 300,000 malnourished children. It also plans to vaccinate about 40,000 children under 5 against several diseases and inoculate 100,000 more against measles. There are 14 hospitals it hopes to rehabilitate, 340 shallow wells it wants to dig for safe water and nearly 250,000 displaced families it intends to resettle in home areas with enough seed, tools, livestock and household items to make a go of it.

Other Comment

After the Chinese Congress

After the smiles, the handshakes and the vows of unwavering loyalty to communism at the 14th Congress of the Chinese Communist Party, the country's newly anointed leaders now have the unenviable task of converting their country's central planning economy to one that is capitalist in all but name. At the ground level, China's peasants, city dwellers and petty bureaucrats are, of their own accord, moving inexorably toward a market economy, and the ruling elite has only two options: go along with the tide or be swept aside.

The conclusion is that China's liberation of its productive force will be largely directed toward a massive export drive by an already strong economy. When Jiang Zemin, the Communist Party chief, said that China was moving beyond passive international economic policy, he meant not cooperation but competition.

A vital part of China's economic change is being angled toward world markets. One of the most intriguing parts of China's economic reorganization involves the creation of what has been named the State Council Economic and Trade Office, to be presided over by Zhu Rongji. In the past, Chinese policy on industry and trade has been conducted separately. The probability is that China's economic and trade office will perform a function similar to Japan's famous Ministry of International Trade and Industry, which successfully worked both domestic and international sides of economic affairs during Japan's industrial rise.

For Movement on the Mideast
During the new round of talks in Washington, demands will be higher. In real terms, virtually nothing has moved, but Syrians and Israelis have given signs of some willingness to make concessions. Now, Syria and Israel should at least agree on how further negotiations should be carried out. Chairman Yasser Arafat said he was willing to meet Prime Minister Yitzhak Rabin. This would be a step in the right direction.

How Major Could Get Back in the Battle

By Brian Beedham

LONDON — It was a damned nice thing, as the Duke of Wellington said about the battle of Waterloo. But Waterloo, close-fought though it was, did end with the duke in unmistakable command of the battlefield. John Major's friends would like to believe that his narrow majority in the House of Commons on Wednesday, in the debate on the future of Britain's coal industry, has put him back in command of his party and his country. It has not, because recent events have revealed some unexpected weaknesses in Britain's prime minister, and he will not be back on top until and unless he can cure them.

remuneration. Countries at such different stages of the economic cycle could not expect to keep their currencies tied together. There should have been a realignment of exchange rates. Mr. Major's problem is that all this was foreseen — and said — before Black Wednesday blew the exchange-rate mechanism apart; but it was not foreseen by him. He therefore has to build a new economic policy before an audience unconvinced that he knows where to begin.



By ZLATKOVSKEY (Photo: News, C&W Syndicate)

There is an economic case for saying that Britain's coal industry, savagely cut though it already has been, should become even smaller. Gas, and cheaper foreign coal, do make some of today's British coal unsealable. But this further reduction of the industry, if done less preemptively and confined to clearly uneconomic mines, could have happened with no more uproar than most of the past cuts have produced. For the government to announce that it proposed to shut half the remaining mines virtually overnight was like a doctor saying he proposed to cut out his geriatric patient's throat.

Plan Ahead for the Common Work of Democracy

By Flora Lewis

PARIS — This is a "post" period. Not only post-Cold War but post-dictatorship, post-tyrant, post-brutal maintenance of order in many countries. That is not the same as democracy and peace. For all the heartwarming cheer that the end of repression brings, it has to be better understood that the evil legacy remains long after the perpetrators disappear. It is not enough to sweep the old power away.

to resist the Soviet-backed government but never adequately organized to produce an alternative structure are fighting each other for power. As usual in the aftermath of a war or a dictatorship, plenty of arms are still available and plenty of people know how to deal in them and use them. Many other countries are falling into the same traps. The war in Yugoslavia is not about to wind down, although the Bosnians are on the verge of defeat. The queue of candidates for new horrors and massacres in the Balkans is actually growing, and there is no sign that fighting will be contained. Rather, it is almost sure to spread.

an unacceptable amount of new inflation. This is technically tricky, and the price of failure is large: Britain could end up with prices rising hugely and production falling again. It is not yet clear whether Mr. Major will decide to walk this narrow line. Alas for him, if he does he will have to do it with the angry critics of his coal mistake still snapping at his ankles.

John Major is an oddity among politicians. He is a genuinely modest man, but he is bright, he has guts and he believes politics is about making things better. He could yet be what so many other politicians pretend to be, another Harry Truman. The past few weeks have been awful for him. If he sees where he went wrong, he could still end up commander of the battlefield.

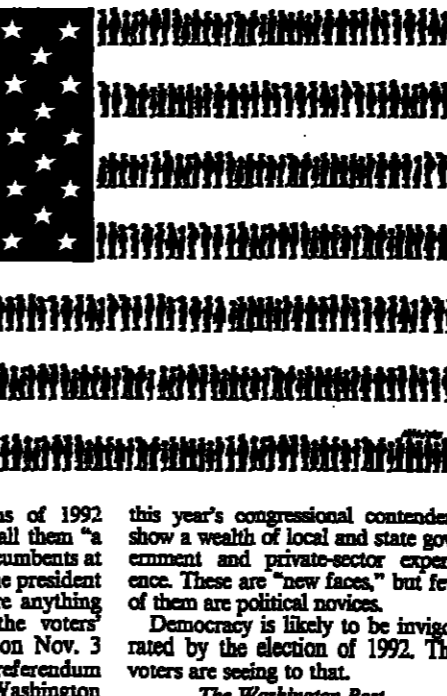
In an 'Off' Election Year, Lines Are Forming Now

By David S. Broder

FORT WORTH, Texas — It was a simple plan, which had only two flaws. It was unnecessary and it was illegal. In an effort to boost turnout, the Travis County Democrats announced that they would hand out free Texas lottery tickets at random to some of the people who showed up to take part in the state's early-voting period, a 20-day window before election day when citizens can exercise the franchise at their own convenience.

expected long lines at the polls on election day. This development is as welcome as it is unexpected. A year ago, many observers of politics, including this reporter, were expressing grave concern about the health of American democracy and wondering if elections might be losing their legitimacy in the eyes of the public.

scene of proliferating trouble and do not feel directly endangered by the terrifying pictures from some distant, unpronounceable place flashed on their television screens. Prime Minister Neville Chamberlain of Britain thought Czechoslovakia too far away and too obscure to worry about in 1938. It is an illusion for the safe to feel they have nothing at stake when others fight and starve.



Whatever the elections of 1992 may be, no one would call them a "foregone conclusion." Incumbents at all levels, starting with the president of the United States, are anything but "insulated" from the voters' wrath. And the voting on Nov. 3 promises to be a critical referendum on the performance of Washington politicians of both parties.

1892: Battle of Teutons
PARIS — There are disquieting signs for Austria-Hungary. The Slavs are gravitating in the direction of Russia and the Germans in the direction of Prussia. The Municipal Council of Rachenbach, composed of members of the German party in Bohemia, has been dissolved. They had organized a fête to celebrate the anniversary of Sedan and had clothed the police in uniforms similar to those of the German forces. The Austrian Government considered that this was going too far. But the action was a natural consequence of the policy of the Government, which has allowed it to be said that Austria receives the word of command from Berlin.

1917: Roosevelt's Vision
NEW YORK — Mr. Theodore Roosevelt lost the sight of an eye while boxing several years ago, he revealed yesterday [Oct. 21] in an interview after a fortnight's sojourn at Jack

Inadvertent: A Go-Ahead To Saddam

By Leslie H. Gelb

NEW YORK — What President George Bush did not say in the days immediately before Iraq's invasion of Kuwait on Aug. 2, 1990, illuminates the historical sky like an electrical storm. It puts into sharp relief Ross Perot's charge that Mr. Bush "in effect" or inadvertently gave Saddam Hussein the green light to attack.

Never once in the week prior to the attack — as Iraqi troops on the disputed border massed to more than 100,000 — did Mr. Bush ever say, or even hint, that the United States would respond to Iraqi aggression with force. He said nothing about force for one very good reason: He had no idea that he would use force.

The answer is very probably yes. In calculating whether he could get away with gobbling up Kuwait, the Iraqis' only worry was Washington. He knew well that his Arab neighbors were scared stiff of his military power, and that they would probably accept his plunder of unpopular Kuwait. He was well aware that Saudi, Egyptian and even Kuwaiti leaders were cautioning Washington not to threaten Iraq and reassuring all that a peaceful "Arab solution" would be found.

Even more reassuring from Saddam's viewpoint, on July 31 the White House dispatched officials to Congress to testify publicly against legislation to impose economic sanctions on Iraq. Saddam saw that even at this stage Washington sought to influence him through rewards rather than threats.

1942: Soviets Advance
MOSCOW — [From our New York edition.] The Red Army fighting on the snowy steppe northwest of Stalingrad occupied two Nazi trenches in an offensive spurt yesterday [Oct. 23], while inside the besieged city the Russians killed a battalion of Germans in hand-to-hand combat and smashed twelve enemy tanks in a successful defense now entering its sixth day. A Soviet communiqué said 200 Nazis were slain in their trenches as "Red Armymen, by a sudden blow, broke into the enemy's position."

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IF BILL Clinton wins, let's hope he wins big; a clear mandate would give the new president the confidence to chart a coherent economic course. Mr. Clinton would have some big decisions to make soon. Should he calm money markets by appointing deficit-hawks to the posts of Treasury secretary and budget director? Should he name a Republican to a top economic job, to signal bipartisanship? No. Open philosophical differences among agency heads is a formula for chaos. Mr. Clinton should welcome diverse views, but he also needs to seize the reins and define a course. The best economic signal is coherence.

Punchier P... Consider the P...
Being a young global comp...
Our other brothers. For us...

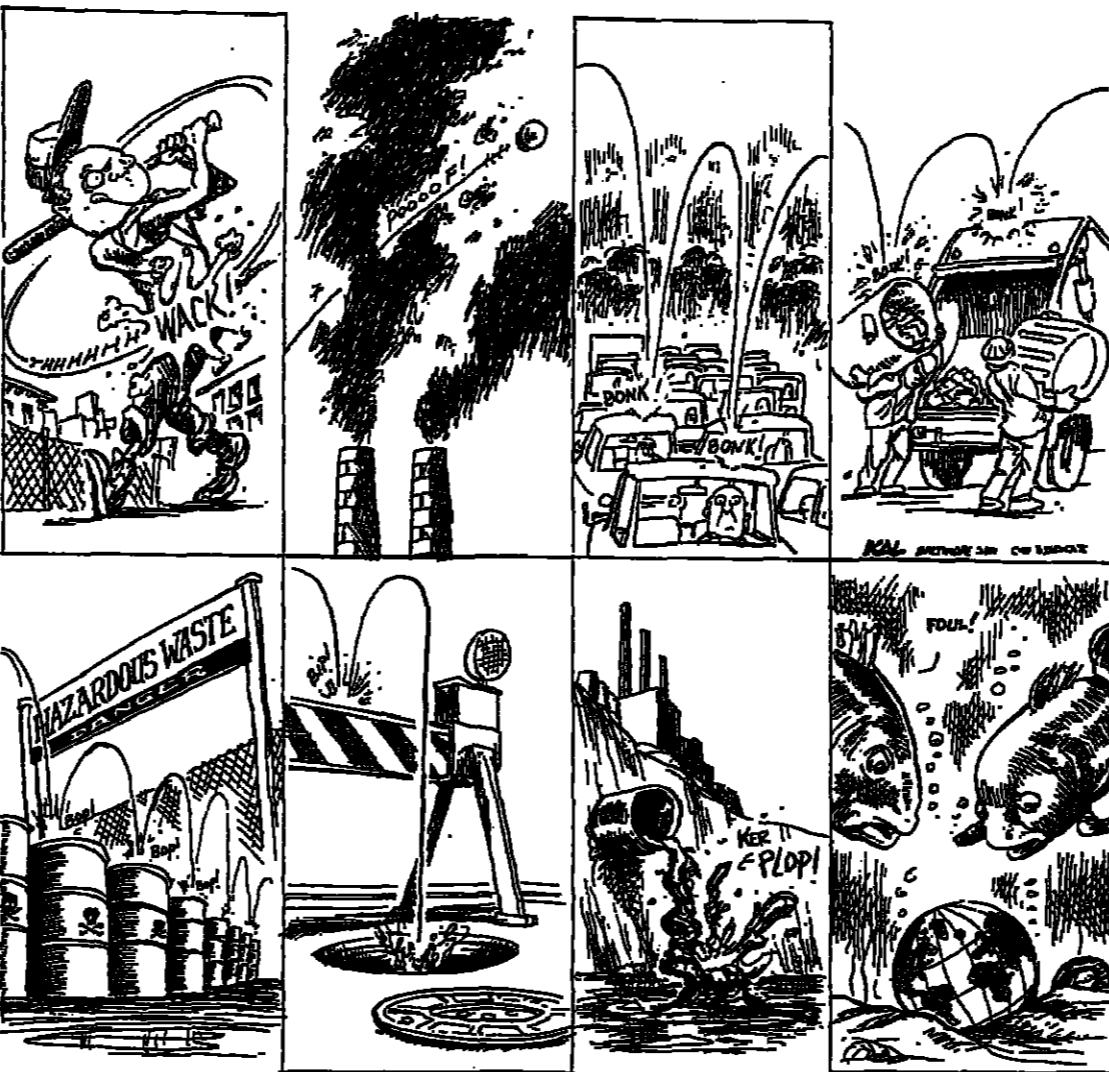
OPINION

A Punchier Protest Vote: Consider the Poet Marrou

By William Safire

WASHINGTON — Suppose you are fed up with George Bush and don't quite trust Bill Clinton. You want to register a protest because you refuse to identify with the prissy anti-politician who once said, "I never vote, it only encourages them." That leaves Ross Perot, right? Wrong. He is not a suitable vehicle for protest because he is a multimillionaire on an ego trip. He purchases his ideas in a book written for him, denounces sound bites in sound bites and slyly adopts "the issues" as his issue, and takes a two-month vacation from campaigning to avoid hard scrutiny. Where, then, does a protester go to protest? Is there a candidate on the ballot in all 50 states who does not pretend to have a chance of winning, whose campaign is not financed by the taxpayers or out of millions milked out of Medicaid, and whose platform is different from the trio that refused to let him join the televised debates? His name is Andre Marrou, 56, a real estate broker born in Texas. His running mate is Nancy Lord, 40, a physician from Maryland. They are the candidates of the Libertarian Party, and they deserve more of a look-see than the media have been giving them. Libertarians want to get most government out of the lives of individuals. Police and fire departments are fine, they say, as is a tiny bit of national defense, but get the government out of all other activities that private enterprise and organized charity can do more efficiently. No more subsidies. This includes (gulp) schooling, welfare, health, retirement, all those things we have come to take as entitlements. A little extreme? You ain't heard nothing yet on civil liberty. Decriminalize drugs and prostitution, foggies gun control or abortion limitation, eliminate federal agencies, settle environmental clashes in court, permit open immigration. By taking this course, say the Libertarians with a capital L, we could do away with the Internal Revenue Service. None of that mimic-pimmy tax reduction on the middle class that Mr. Clinton and Mr. Bush are half-promising; the Marrou-Lord ticket would wipe out the income tax altogether—in stages, until voluntary financing of small government becomes a reality. That's silly, you say. I agree; if taken literally, the Libertarian platform is so far out of the mainstream as to be high and dry. Lefties and righties alike barmy and say, "Now, that's going too far." Although most Libertarians will never admit it, their platform is meant to be taken figuratively, not literally. Part of their charm is their ability to keep a straight face as they espouse this outrageous philosophy. That is because they are talking in poetry, not prose. They see Republicans drifting rightward on civil liberties—toward greater

bureaucratic intrusion and less personal freedom—and the Libertarians want to dramatize their difference. They see Democrats drifting leftward on stations—toward government intervention in free markets, industrial policy, welfareism—and Libertarians want to catch your attention with draconian proposals to stop it. Mr. Marrou and Dr. Lord—she, incidentally, is the only woman on the ballot in all 50 states—do not hint, as does the half-protest candidate Ross Perot, that they entertain a hope of some miraculous victory, or of throwing the election into the House. The Libertarian function, as I see it, is to present an opportunity for protest in its pure form by leaning against statist or moralizing tendencies in both parties. Principled people troubled by these tendencies, or distrustful of the major-party candidates, are offered a way to signify their dissatisfaction without dropping out or aligning themselves with an eccentric dilettante. I am tempted to go this route, but for a pundit who makes his living throwing political choices around like thunderbolts, it would be a cop-out. For undecideds now parking with Ross Perot, however, who find themselves unhappy about letting vast personal wealth determine a national protest candidacy, consider the alternative: Marrou and Lord, the Libertarian Party, respectable in its invariable unwinnability. The New York Times.



Driving Along, Thinking About What She's Meant

By Joyce Gabriel

STAMFORD, Connecticut — I was thinking about my mother on the way to work recently. Mothers and daughters have their ups and downs, the places where they fit together nicely and the places where the edges of their individuality rub each other the wrong way. My mother and I are like that. Sometimes my mother annoys me, and I know

to let me pay them rent. I bought them gifts instead. As I moved out into the world and into my own place, it was Mom who helped me unpack, Mom whom I would call frantically for a favorite recipe that she would patiently read over the phone. A lot of years have passed since then. I have married and have had children of my own. My parents came to live with us, across the driveway, in their own place and were there when each of our children was born. My mother made a patchwork quilt for my oldest son. My Dad died several years ago, changing my mother's life forever. But still, she has been there for me. It is my mother who comes over at 3 P.M. each weekday to watch my kids while I work. It is she who supervises their homework and cooks them dinner. It is she who will help them with art projects, sometimes doing more than her share, coached by three little boys who know how to get their way with her. When I am doing a weekend marathon of cooking or canning, it's my Mom who comes over to help, coring apples, making pie dough, lending me her juicer in the cause of making homemade grape jelly. Now that holiday time is approaching, it will be Mom who comes over to help bake all those Christmas cookies—just the way she used to when I was a child; all my friends wanted to come to my house for the extras, and they were always welcome. It will be Mom who supervises the making of the family recipe for ravioli, watching as my sons and I work the pasta machine. It was Mom, the excellent seamstress (why didn't those genes get passed on?), who made poinsettia napkin rings using silk flowers and coated rubber bands, just because I thought they would look nice on my holiday table last year, her arthritic fingers working slowly. It was Mom who made all those Halloween costumes for my sons, just the way she did for me when I was a child. We just passed the smallest along to my brother's youngest son to wear this Halloween Day. My mother is quiet, even shy. She always said she lived for her husband and her family. She knows nothing about assertiveness training. And she never thought she was smart. But here's what I see, every day: a mother still helping her daughter and son-in-law and grandchildren. Just as when I was a child, my mother still asks to see my column every week, and she's still just as proud of me and my accomplishments as she was when I was growing up, sending copies of things I do to other members of the family. And so, this morning, on the way to work, I was thinking how extraordinary my mother is, and how lucky I have been to have her. The Stamford Advocate.

MEANWHILE

sometimes I annoy her. But that's not what I was thinking about that morning as I drove to work. I was thinking about all the times my mother has been there for me, right beside me, or right behind me, cheering me on. When I was little, my mother would sit at the kitchen table with me while I did my homework, and encourage me. When she would take me shopping and I couldn't decide between two dresses, she would usually buy me both. When I was a teenager writing a weekly column for a local newspaper, it was my mother who would nudge and nag me each week until the column was done and safely mailed. It was she who set the timer on the stove for 30 minutes so I would practice the piano each day. It is probably thanks in some part to her devotion that, as an adult, I became a journalist and still play the piano. When I first began my career, I was too poor to afford an apartment, so Mom (and Dad) took me in and refused

LETTERS TO THE EDITOR

Three Who've Decided

The blatant indecency of the Republican presidential campaign has simplified the voters' choice. Unfortunately, it has also obscured some things. The fact that President George Bush has discredited himself so thoroughly in no way enhances Governor Bill Clinton's qualifications for the presidency. There is one legitimate aspect to his Vietnam War behavior that has gotten submerged in all of the muck. It is the question whether he has pacifist tendencies that would cause him to falter in a situation that demanded a U.S. military response. Governor Clinton has given us little reason to conclude that Vietnam was an episode for him. Only recently, he was

unable to see what most of the world readily perceived: that the Iraqis had to be thrown out of Kuwait. In this alarmingly unpredictable world, we seem about to elect an inexperienced man, who neither knows nor is known by world leaders, and we haven't bothered to get a real feel for his relationship to military power. BARBARA FLECK, Mannheim, Germany. As a long-time Democrat, I must say that the tactics used by the Bush people against Michael Dukakis in 1988 were deplorable and unfair. The business with Bill Clinton's Moscow journey was disgraceful as well. In brief, I don't care for Mr. Bush, and I do not admire much of what he has done. And yet, and yet... After watching the latter two debates, I am swayed to his cause. Thus, I am astounded to hear that he is making no headway with the electorate. I believe Mr. Bush is doing a lot better than says the conventional wisdom. He bids fair to win this election, I think. At the least, it will be very close. RICHARD M. HELLER, St. Jean Cap Ferrat, France.

Regarding "Why This Conservative Isn't Sure He Can Vote For Bush" (Opinion, Oct. 19) by William Safire. Since 1971, I have followed Mr. Safire's columns avidly. As long as I live I will never forget his jocular admission after the "Saturday night massacre" that those who were calling for Richard Nixon's impeachment were, after all, right. In Germany, I read Mr. Safire's every column in the Herald Tribune, and have noted with interest his increasing criticism of George Bush—remarkable writings for a staunch Republican conservative! If Mr. Safire truly is struggling over which hole to punch come Nov. 3, I suggest that he reread his own columns of the past year and I suspect he'll have no further trouble in his decision. He has persuaded many others. NORMA SIPOWICZ, Wiesbaden, Germany.

American tax system so that "only that portion of personal income or corporate cash flow not directed to savings, investment or capital formation" would be subject to income tax. A consumption-based income tax would continue the radical upward flow of American capital begun under Ronald Reagan. Any tax that attacks the entire income of those unable to save, but leaves untouched the unneeded income of those with more than enough, will only increase economic inequality. ROYSTON COPPENGER, Baden, Switzerland.

The road to European unity is foggy indeed and therefore we should proceed with determination but at reduced speed. This would give some members time to catch up. It would also lower the risk of deepening the division of the European economies. SIGURD O. NIELSEN, Copenhagen.

What Maastricht Means

Regarding "So Much for the Europhoria of the Bureaucrats" (Opinion, Sept. 22) by William Safire. The main point of the Maastricht treaty is to replace the Bundesbank with a European central bank where France would have a voice and a vote. Thus, rather than "surrendering national sovereignty to German fiscal discipline," Maastricht would allow France to recover part of it, since at present France has surrendered the conduct of its monetary policy to the Bundesbank. G. SABBAGH, Paris.

Go Slow on Europe

What looked less than a year ago like a reasonable blueprint for European union has been overtaken by unforeseen developments. Today we must realize that the time schedule stipulated by the Maastricht treaty is unrealistic. The pro-Maastricht political forces, faced as they are with unexpected opposition, appear to refuse to consider any fall-back strategies. Instead they push for ratification in a make-or-break effort that might well fail.

What If They Can't Save?

Regarding "A Consumption-Based Income Tax" (Opinion, Oct. 6) by George F. Will. The proposal would restructure the

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



Arnout A. Loudon, Chairman of the Board of Management of Akzo:

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room to move within it. I'm involved, but I don't interfere. Our business units are both global players and local entrepreneurs. It's all part of creating the right chemistry."

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Bush Praises Hanoi For MIA Photos, But Presses Issue

The Associated Press
WASHINGTON — President George Bush on Thursday called the release of old Vietnamese photographs of U.S. prisoners of war a "major breakthrough" in determining the fate of missing Americans, but said only a "full accounting" would lead to diplomatic relations between the two countries.

"I must be satisfied as president that all obstacles about POWs and MIAs have been removed," Mr. Bush said on television.

The president was asked about a Los Angeles Times story quoting diplomats and Indochina specialists as saying that the administration was preparing to move toward normalizing relations with Vietnam within the next few months.

Mr. Bush said the Vietnamese government knows "more than they've really told us" about the fate of U.S. servicemen missing since the Vietnam War.

"This is a major breakthrough that's happened over there," the president said of the release of 4,000 photographs and other documents to a U.S. delegation led by General John W. Vessey Jr. "But I need to know exactly how major," he added.

Mr. Bush said he would be briefed at the White House on Friday on the findings of the U.S. delegation.

The Times quoted a Western diplomat as saying the move toward normalization of relations would take place before Inauguration Day, Jan. 20.

"I think full normalization is not very far off — one month, two months, a few months," the diplomat said.

The paper also quoted a White House official as saying that Mr. Bush would make a statement after the briefing Friday that could be the first step toward normalization.

Vietnamese cooperation in determining the fate of MIAs has been the principal remaining condition for normalization.

American companies are banned from trading with Vietnam. Lifting that prohibition would be a likely early step.

The New York Times, quoting administration officials, reported that American archivists will travel to Vietnam at the end of the month to begin reviewing the documents.

At the same time, 63 American specialists began a monthlong field visit to 11 Vietnamese provinces to hold interviews and examine aircraft crash sites, in connection with 78 cases of missing servicemen, The Times said.

U.S. Checking Firm's Role in Iraq Arms Deal

Compiled by Our Staff From Dispatches
WASHINGTON — Three government agencies are investigating how a U.S. company was allowed to ship equipment to Iraq that was used for building nuclear weapons despite President George Bush's assertion during the final presidential debate that no military equipment from the United States had been found in Iraq after the war.

Richard A. Boucher, the State Department spokesman, confirmed Wednesday that the Pentagon, the Commerce Department and the Customs Service began a criminal investigation last spring into the export of an electron-beam welder by Leybold Vacuum Systems, the U.S. subsidiary of a German company.

The Commerce Department issued a license for the welder in 1988, under the mistaken assumption that it had no nuclear application, according to a copy of the Commerce Department license.

Mr. Bush said Thursday in a television interview that he might have "overstated it a little bit" in the debate. (NYT, AP)

Critics Doubt Need of Mission as Shuttle Lifts Off

By William J. Broad
New York Times Service
CAPE CANAVERAL, Florida — As six astronauts and the space shuttle Columbia were launched on a 10-day voyage, questions were raised on Thursday about whether the great risks and costs of a shuttle flight were justified for a mission that seems extraordinarily modest.

The main goal of the mission, which began with the shuttle's lift-off Thursday after a two-hour delay, is to deploy a two-foot (60-centimeter), \$4 million satellite described by the space agency as looking like a large golf ball.

Its mirrored surface is to reflect laser beams used to study movements of the Earth's crust. The satellite was built by the Italian space agency and matches one lofted in 1976 on an unmanned Delta rocket.

By bouncing laser beams off high-flying satellites and measuring how long it takes the light to return, scientists on the ground can measure movements of the Earth's crustal plates, which move up to several inches a year.

Officials of the National Aeronautics and Space Administration defended the mission as having great merit. They said they were honoring a commitment made long ago to the Italians and doing experiments that pave the way for important work.

But private analysts said the mission's overall goals seemed slight given the cost of each shuttle flight, estimated at up to \$1 billion, and the chances of a catastrophic failure — put by NASA at 1 in 78.

They said an unmanned rocket would cost far less and eliminate the risk to astronauts.

They added that the mission should have been scrapped or delayed until more experiments of substance could be added.

The underlying problem, they contended, is that years of poor planning have left the U.S. fleet of winged spaceships with little of substance to do.

A White House official declined to defend the flight and said the Bush administration had unveiled a plan last year meant to limit shuttle cargoes.

The official added that the policy's effects would not be evident for a few years because shuttle payloads were booked so long in advance.

The Bush administration's National Launch Policy calls for the shuttles to be used only on missions that require the spacecraft's singular abilities or the presence of humans.

It expands on decisions made after the 1986 Challenger accident, in which seven astronauts died, to remove commercial and military payloads from the nation's winged spaceships and to make sure the remaining scientific missions justified the risks.

At the Kennedy Space Center, NASA officials were repeatedly asked at a news conference whether this mission met the cost-and-risk criteria. They said it did, even though the shuttle's 60-foot payload bay is clearly far from full.

Leonard S. Nicholson, NASA's shuttle director, said a main rationale for the flight was aiding the development of a six-foot, Italian-made rocket that is to lift the science satellite into a higher orbit. The rocket project, he said, began before the Challenger disaster.

Syria Rejects Israeli Plan on 'Withdrawal' From Territories

Compiled by Our Staff From Dispatches
WASHINGTON — Syria dismissed as unsatisfactory on Thursday a new Israeli position that included for the first time the word "withdrawal" from occupied territory.

Dampening hopes of progress in Middle East peace talks, Syria delivered its negative response to Israel as the seventh round of negotiations entered its second day.

"Nothing new to report," said Syria's chief negotiator, Mouwafak Alal. "Like the Israeli paper, nothing new."

After studying the document overnight, he said of the plan: "I was convinced even further that there was nothing new in the Israeli paper. It was only different formulations unfortunately."

Israel is also holding separate talks with Jordan, Lebanon and Palestinians from the occupied West Bank and Gaza Strip. But those negotiations have bogged down, with the sides unable to agree even on agendas.

The focus has turned to the Israeli-Syrian discussions, which Prime Minister Yitzhak Rabin of Israel said this week held the most promise of achieving progress.

Israel read its latest proposal to the Syrian delegation on Wednesday. But the Israelis did not formally hand it over, seeking to preserve flexibility and the ability to make changes in the text.

Because negotiating sessions are recorded, however, the Syrians were able to construct a text, study it and consult with officials in Damascus.

The new element was the use of the word "withdrawal," meaning withdrawal from the strategic Golan Heights, which Israel captured from Syria in the 1967 Middle East war.

Israel had previously used the vague term "territorial dimension" when talking about the issue. But Israel still rejects Syria's demand for an unconditional and total retreat.

Israel insists that withdrawal is only one aspect of a future peace agreement. The other two aspects are the nature of the peace itself — Israel wants full peace with normal diplomatic, trading and cultural relations — and mutual security.

"It is true that when addressing the territorial issue that is part and parcel of the future peace arrangement between Israel and Syria, we used the term 'territorial dimension' last time," said the chief Israeli negotiator, Itamar Rabinovich.

"When our quest for peace and our quest for security are satisfied," he added, "we will not shy away from introducing the element of withdrawal into the settlement."

Mr. Rabinovich said that although the Syrians objected to aspects of Israel's presentation, their response was "quite positive."

He said he expected the Syrians to elaborate on their views after a night of reviewing Israel's statements and that Israel was "all ears." (Reuters, AP)

U.S. Vote Deadline Still Open to Some

By Barry James
International Herald Tribune
For many Americans living abroad, it is too late to vote in the presidential election unless they registered well ahead of time.

But as the Founding Fathers intended, each state sets its own election rules, and many will still accept voter registrations, in some cases until the day of the election. What they need, however, is a completed application known as a Federal Post Card Registration and Absentee Ballot Request.

Connecticut, Massachusetts, Vermont and Washington will accept applications until the day before the election. Iowa, Maine, Minnesota, Montana and North Dakota will accept postcard applications at any time before voting starts. Maryland, North Carolina, Pennsylvania, Tennessee and Texas will take them until Tuesday; Missouri and Oklahoma until Wednesday; New Mexico and Oregon until Thursday; Wisconsin and Kansas until Oct. 30, and Michigan until Oct. 31.

Nebraska and Idaho will accept faxed applications until the close of business Friday. New Hampshire closes registrations Saturday, but does not accept applications by fax.

The postcard applications must be mailed or faxed to county clerks or election boards, which are listed in the Voting Assistance Guide available at U.S. consulates.

People who have not yet received their ballot papers can still participate in the presidential election by filing what is known as a Federal Write-In Absentee Ballot.

Both the postcard applications and the absentee ballots are available from consulates and from organizations representing Americans abroad.

Barbara Stern of the Association of Americans Resident Overseas in Paris said that many ballots were being delayed because an unexpectedly large number of people abroad have registered to vote. She said that voters who had sent in a federal absentee ballot could also fill out a state election ballot if it arrived in time. Only one of the ballots will be counted for the general election.

With up to 4 million Americans living overseas, she said, the foreign vote could be significant in a close result.

Several states accept ballots up to two weeks after the election, provided they are postmarked on or before Nov. 3. New York, which is behind on mailing out ballots because of the heavy crush of applications, announced this week that it would still count ballots received until Nov. 16.

Salvador Massacre Of the Innocents

By Tim Golden
New York Times Service
EL MOZOTE, El Salvador — In a small rectangular plot among the overgrown ruins of a village here, a team of forensic archaeologists have opened a window on El Salvador's nightmarish past.

Two feet below the ground, a few tiny skeletons grin up almost intact from what was once the tile floor of the parish house. Other bones are crushed in places and caked with dirt, but they can be identified well enough to determine that they belong to at least 38 bodies.

Almost all of the remains are those of children. Nearby are other burial sites still to be unearthed.

Nearly 11 years after U.S.-trained soldiers were said to have torn through El Mozote and surrounding hamlets on a rampage in which at least 784 people were killed, the bones have emerged as stark evidence that the claims of survivors and the reports of American journalists were true.

"Maybe if everyone sees these things clearly, they will have to do justice," said Rufina Amaya, 51, the only resident known to have survived. "The government cannot see all of these children and not want to do justice."

Mrs. Amaya, who lost her three daughters, a son and her husband in the massacre, spoke in the shack year from El Mozote where she has lived since returning from a refugee camp in Honduras two years ago. She said she could not stand to look on the place again.

Yet as its story is slowly unburied, El Mozote has become a powerful test of El Salvador's uneasy confrontation with the horrors of its 12-year civil war.

The government of President Alfredo Cristiani has cited the exhumations that began last week as evidence of the country's willingness to face the past.

"We have shown here that the people of El Salvador, by means of the judicial branch, wish to live in democracy," said Juan Mateu Fort, the judiciary official in charge of the on-site investigation.

But human-rights workers and foreign diplomats gave a sharply different account. They said that for nearly a year the Salvadoran attorney general's office, Mr. Mata's medical-legal institute and the president of the Supreme Court, Gabriel Gutierrez Castro, had done what they could to block or delay the investigation set in motion by a complaint filed in October 1990.

The complainant was one of the considerable number of survivors from a half-dozen hamlets near El Mozote where soldiers were also said to have killed civilians.

As late as this month, Mr. Cristiani announced that he could not provide a list of the officers who led the sweep through this remote corner of eastern El Salvador in the days beginning Dec. 11, 1981.

What finally led the government to authorize the work of forensic specialists led by a team from Argentina, the diplomats said, was pressure by members of a commission set up under the country's peace accords to investigate the most serious abuses of the war.

"The results of this will undoubtedly serve the Truth Commission," said Maria Julia Hernandez, the director of the Roman Catholic Church's human-rights office in San Salvador, referring to the three-member panel set up under the peace agreements signed last Dec. 31.

"Whether it will lead to any convictions," she said, "depends on our possibilities, which are very limited now."

El Mozote became a metaphor for the Salvadoran military's ability to escape a clear accounting of even the blackest moments in its campaign to defeat guerrillas of the Farabundo Martí National Liberation Front, or FMLN.

Government officials denied that such a massacre had taken place or blamed the rebels for the killings, and American officials hotly disputed reports from the scene by Raymond Bonner of The New York Times and Alma Guillermoprieto of The Washington Post.

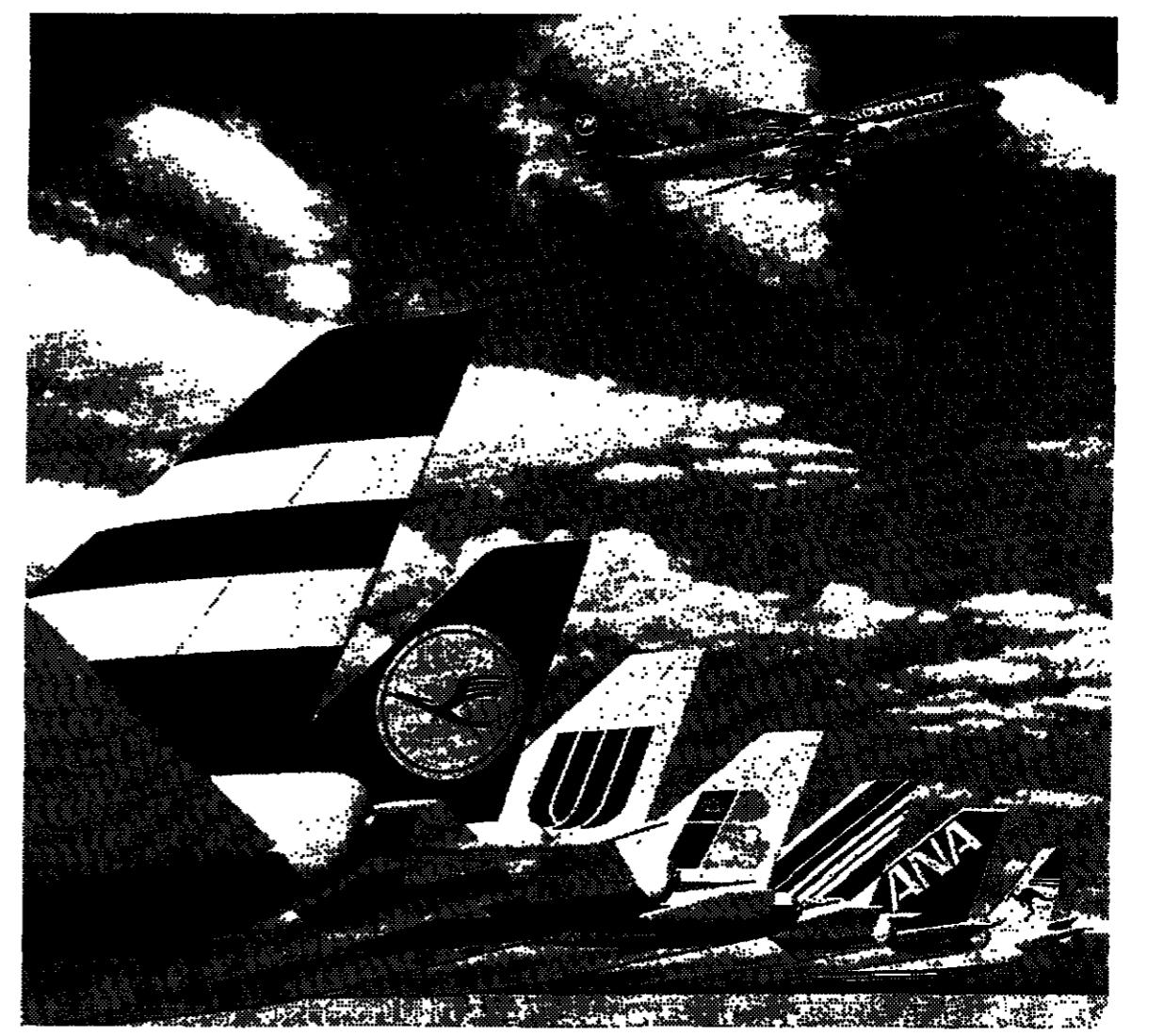
One hundred and forty airlines trust Unisys with reservations. Without reservations.

Fourteen of the world's twenty leading carriers rely on Unisys passenger and cargo reservations solutions to maximize revenue for every flight.

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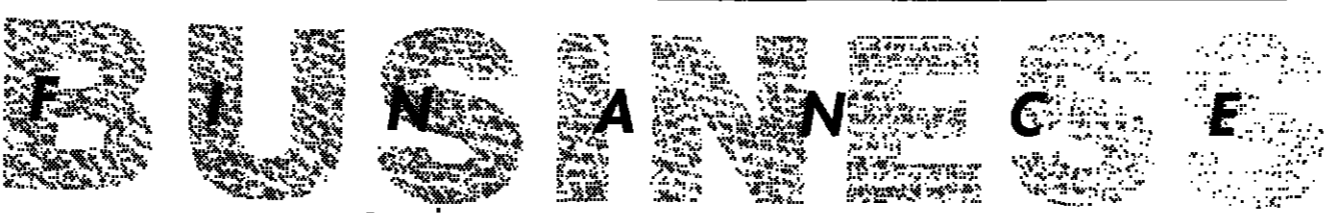
of our technology, the totality of our services, our specialist industry experience, and above all, our commitment to the success of our customers — a commitment that lifts Unisys to the top of customer satisfaction surveys.

So, whatever your business, call us and ask how Unisys can help your business gain altitude by putting your systems on solid ground.

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We make it happen.

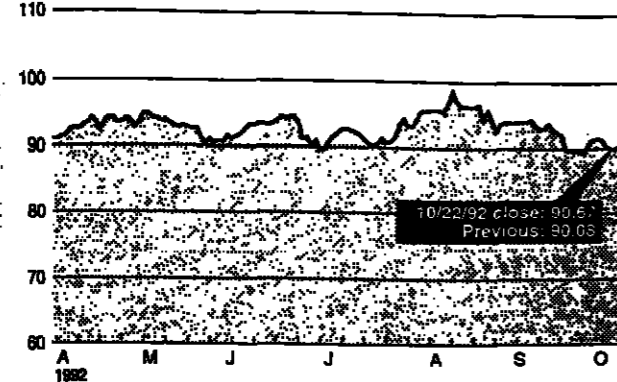
© 1992 Unisys Corporation.



FLY WITH A NEW FLEET TO SEOUL.

THE TRIB INDEX: 90.67

International Herald Tribune World Stock Index composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Table with columns for Asia/Pacific, Europe, and N. America, showing index values and percentage changes.

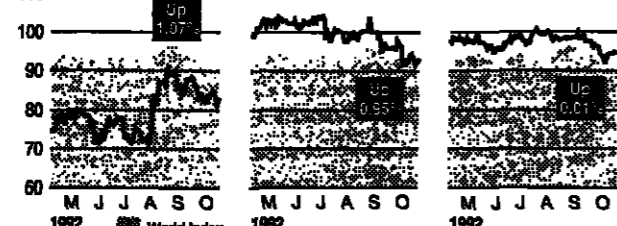


Table of Industrial Sectors with columns for Sector, This Week, Prev. Week, % Change, and % Change.

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

WALL STREET WATCH

Five Years After: Leaner And More Under Control

By Kurt Eichenwald, New York Times Service. NEW YORK — Take a short stroll down Wall Street and the differences are as tangible as the cold, hard facade of the New York Stock Exchange: Less crowded. Less frantic. And, somehow, much more under control. Since that Monday five years ago on Oct. 19, 1987, when the Dow Jones industrial average plunged 508 points, or 22.6 percent, the face of Wall Street has been indelibly changed.

Ukraine Tankers Hope Things Go Better With Pepsi

By Erik Ipsen, International Herald Tribune. LONDON — Progress comes in odd forms. In Ukraine, inflation is rocketing and industrial production is plummeting, but the former Soviet republic's citizens can at least, courtesy of an agreement signed here on Thursday, look forward to more Pepsi-Cola and Pizza Hut meals.

Britain in Relapse as Exports Fall

Compiled by Our Staff From Dispatches. LONDON — Britain was pronounced in the grip of a double-dip recession on Thursday, and a yawning trade gap dimmed hopes for an export-led recovery.

Sears Slumps To Its First Loss Since Depression

CHICAGO — Sears, Roebuck & Co., the world's third-largest retailer, on Thursday reported its first loss since 1933, during the Great Depression.

GM Disputes Stempel Rumors

DEARBORN, Michigan — John Smale, the leader of the outside directors who are in control at General Motors Corp., disputed on Thursday reports that Robert C. Stempel, the chairman, will be asked to step down.

U.S. and Britain Aim To Clinch Air Accord

LONDON — British and U.S. officials were locked in talks on Thursday to try to conclude a new "open skies" air-services pact, the British side said.

Hard Times in London for Japan's Big 4

By Erik Ipsen and Steven Brull, International Herald Tribune. In Tokyo on Friday, the problem will move front and center with the release of half-year earnings figures for the parent companies of the Big Four: Nomura, Yamada, Daiwa and Nikko.

CURRENCY & INTEREST RATES

Table containing exchange rates for various currencies and interest rates for different terms.

Table containing Eurocurrency deposits and key money rates for various banks and currencies.

Advertisement for the New York City Transit Authority Signal System Enhancement project, detailing speed restrictions and safety measures.

Advertisement for Jet Aviation, featuring the slogan 'In: Time Out: Terminals.' and listing services, contact information, and a list of destinations.

MARKET DIARY

Prices End Mixed In Heavy Trading

Bloomberg Business News NEW YORK — Prices closed mixed Thursday on the New York Stock Exchange as the broad market edged lower after the release of disappointing earnings from such leading companies as Sears, Roebuck & Co., BankAmerica Corp. and Salomon Inc.

Lord, senior vice president in equity trading at Lehman Brothers. Sears, Roebuck declined 1/4 to 41% after the company reported a loss of \$83.7 million, compared with a profit of \$229.2 million a year earlier. Sears said much of the loss was tied to an after-tax charge of \$1.25 billion for insurance claims from Hurricane Andrew and Iniki.

N.Y. Stocks

climbed 13.78 to 3,200.88, led by more than 1-point advances in General Motors Corp., Goodyear Tire & Rubber Co. and Minnesota Mining & Manufacturing Co. The Nasdaq Composite Composite index slid 0.03 to 597.12, ending a streak of five straight advances. Declining common stocks outnumbered advancing issues by about a 4-to-3 ratio.

BankAmerica slumped 2 1/4 to 41% on concerns about higher costs related to increasing intangible assets at the nation's second biggest bank. BankAmerica reported third-quarter earnings of \$476 million. Salomon fell 4 1/4 to 33 1/4 on reports that third-quarter net income plunged 93 percent because of a drop in trading revenue. The company said profit at its Salomon Brothers Inc. securities unit fell 74 percent to \$51 million, while the company's Fibro Energy Inc. oil trading and refining subsidiary lost \$23 million in the quarter.

Standard & Poor's 500 index fell 0.77 to 414.90 and the NYSE Composite index declined 0.50 to 228.10. Volume was 216.08 million shares, compared with 218.99 million traded Wednesday. "The market is churning in heavy volume, as the bears battle it out with the bulls," said William

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Dollar's Rise on Mark Appears to Peter Out

Bloomberg Business News NEW YORK — The dollar eased Thursday against the Deutsche mark on disappointment over stubbornly high interest rates in Germany, and against the yen after the Bank of Japan governor endorsed a stronger yen.

"Japan's trade surpluses with all its major trading partners are swelling, so there's a considerable amount of pressure on the dollar," said Alfonso Alejo, an assistant vice president at Mitsui Taiyo Kobe Bank.

After bidding the dollar all the way up from 1.4545 DM last

Meanwhile, the U.S. economy has yet to show enough signs of life to trigger bullishness on the dollar.

Thursday, investors have run out of reasons to push the U.S. currency much higher, traders said.

The dollar got a small boost early in New York after news of a 15,000 decline in initial jobless claims, to a seasonally adjusted level of 368,000, at the week ended Oct. 10.

The dollar closed Thursday at 1.5093 DM, down from 1.5225 DM on Wednesday. It ended at 120.835 yen, compared with 122.630 yen Wednesday.

But the gains were fleeting, traders said. "It's not exactly something to hang your hat on and say 'I guess I'll buy the dollar,'" said Graham Beale, chief dealer at Hongkong Bank.

The dollar bought 1.3470 Swiss francs, down from 1.3561, and 5.1175 French francs, down from 5.1670. The pound closed at \$1.6244, up from \$1.6060.

"The market's looking for a reason to take the dollar higher, but they haven't found one yet," said Don Quattrucci, an assistant vice president at Connecticut National Bank.

High German interest rates continue to make the mark more attractive than the dollar.

The dollar lost ground against the yen after Yasushi Mieno, governor of the Bank of Japan, said he would prefer a stronger yen in light of Japan's large trade surplus.



Daily closing prices of the Dow Jones Industrial Average

Dow Jones Averages

Table with columns: Index, Open, High, Low, Last, Chg. Rows include Industrial, Transp., Utilities, and Composite.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Last, Chg. Rows include Industrial, Utilities, and Finance.

NYSE Most Active

Table with columns: Vol., High, Low, Last, Chg. Lists various stocks like Chrysler, BankAmerica, and Salomon.

NYSE Most Active

Table with columns: Vol., High, Low, Last, Chg. Lists various stocks like ChDev, Hovba, and Hovba.

NYSE Most Active

Table with columns: Vol., High, Low, Last, Chg. Lists various stocks like ChDev, Hovba, and Hovba.

NYSE Diary

Table with columns: Adv. Declined, Unchanged, Total Issues, New Issues, New Lists.

Amex Diary

Table with columns: Adv. Declined, Unchanged, Total Issues, New Issues, New Lists.

MASDAQ Diary

Table with columns: Adv. Declined, Unchanged, Total Issues, New Issues, New Lists.

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Close, Chg. Rows include Food, Metals, and Financial.

Food

Table with columns: High, Low, Last, Chg. Lists various food commodities like Wheat, Soybeans, and Corn.

Metals

Table with columns: High, Low, Last, Chg. Lists various metals like Aluminum, Copper, and Zinc.

Financial

Table with columns: High, Low, Last, Chg. Lists various financial instruments like Treasury bonds and Eurodollars.

Industrials

Table with columns: High, Low, Last, Chg. Lists various industrial commodities like Oil, Gas, and Coal.

AT&T Posts Another Record Quarter

NEW YORK (Reuters) — American Telephone & Telegraph Co. said Thursday that its profit rose to a record \$963 million in the third quarter. This was the second consecutive quarter in which the company reported record earnings, but they followed a loss of \$1.8 billion a year ago, when AT&T took a massive \$4.2 billion charge to pay for restructuring and other costs.

Dow Chemical's Net Plunges 35%

MIDLAND, Michigan (Bloomberg) — Dow Chemical Co. said Thursday its third-quarter net plunged 35 percent to \$145 million, hit by higher interest expenses and taxes and a sluggish economy.

Fare Discounts Hurt Delta and USAir

ATLANTA (AP) — Delta Air Lines, weakened by a sagging economy and deeply discounted fares, reported Thursday a \$106.7 million loss for the three months ended in September. A year ago it had posted a profit of \$13.1 million.

ITT Net Off 37% After Adjustments

NEW YORK (AP) — ITT Corp. said Thursday its third-quarter profit fell 37 percent, to \$113 million, due to several one-time financial adjustments. Revenue rose 6 percent to \$5.5 billion.

BankAmerica Net Up After Merger

SAN FRANCISCO (AP) — BankAmerica Corp. said Thursday that its third-quarter earnings rose 67 percent to \$476 million, even though it is carrying more than \$4 billion in troubled assets and is bracing for a decline in the economy of Southern California.

For the Record

The American Management Association released a survey Thursday showing that layoffs and job eliminations could reach record numbers in 1993, the highest level since the survey began six years ago. The survey said one out of every four of the 836 companies surveyed was planning reductions by June 1993.

Caterpillar Inc. posted a profit of \$23 million in the third quarter, compared with a loss of \$37 million a year ago, while sales rose 13.5 percent to \$2.6 billion.

Ashland Oil Inc. said refining losses contributed to an 84 percent decline in income from operations, to \$11.8 million, in the three months ended Sept. 30.

World Stock Markets

Large table showing stock market performance across various international markets including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and Tokyo.

U.S. FUTURES

Grains

Table showing U.S. futures prices for grains like Wheat, Soybeans, and Corn.

Metals

Table showing U.S. futures prices for metals like Copper, Aluminum, and Zinc.

Livestock

Table showing U.S. futures prices for livestock like Cattle and Hogs.

Financial

Table showing U.S. futures prices for financial instruments like Treasury bonds and Eurodollars.

U.S. / AT THE CLOSE

Large table showing U.S. market data at the close, including stock indices, commodity prices, and interest rates.

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Advertisement for Unilever and other products, featuring a large image of a product container and text describing the brand's commitment to quality and innovation.

Satisfying the Profit Appetite
Nestlé, Unilever and BSN Holding Up Well

PARIS — Europe's top three food companies are holding up well against the continent's sluggish economies. Nestlé SA, based in Switzerland; Unilever, based in Britain and the Netherlands; and BSN SA of France all reported improved earnings in the first half of this year and analysts said they would sport higher profits for the whole year.

ERM Rejig Is Likely, Spain Says

Madrid — Spain believes that a further realignment of currency rates in the European Monetary System will probably be necessary before the end of the year and that reforms are necessary to restore stability to the system, Finance Minister Carlos Solchaga said.

Italy Wins a Round On Austerity Bill

Rome — The Italian government forced a key part of its 1993 austerity budget through Parliament on Thursday, using a series of confidence votes and ignoring opposition protests that it was gagging its own members.

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various stock indices with their respective values and percentage changes.

Maserati Closing Plant at Milan

MILAN — Maserati, the luxury sports-car maker, will close its plant in Modena, eliminating 10 jobs, its president, Alejandro Romo, said Thursday.

BCCI: Bank of England Is Faulted

Dhabi are not "untutored innocents in the world of international finance, and I cannot think they were as greatly deceived as they suggest."

Very briefly:

- Thomson-CSF has signed two contracts, together worth 1.7 billion francs (\$331 million), to supply Gulf navies with defense electronics.
Adam Opel AG, the German unit of General Motors Corp., will offer 1,750 workers an early-retirement program "without restrictions."

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Large table containing financial data, including company names, stock prices, and other market-related information.

STREET: 5 Years After the Disaster, It's Leaner and More Controlled

(Continued from first finance page)

in charge of corporate strategy and research with Merrill Lynch & Co. "It was a triggering event that brought a necessary behavioral change of how Wall Street is managed."

From almost every angle, in fact, the collapse pointed up critical weaknesses in the market systems, many of which have since been repaired.

"You'd like to learn about your problems in less traumatic ways," said Richard C. Breeden, the chairman of the Securities and Exchange Commission. "But there is no question in my mind that the system is stronger today than it was because of that lesson."

The innovations in the marketplace have

been widespread, touching almost every participant.

At the exchanges, technologies have improved communications and the ability to handle large trading volume, with the Big Board alone having increased its computer capacity to comfortably handle 800 million shares a day, up from about 200 million five years ago. At the same time, rules have been adopted to slow the market down when it comes unglued.

Brokerage firms also jumped on the technology bandwagon, using computerized systems to get around trading bottlenecks pointed up by the collapse. They have also increased training for brokers on the wide-ranging number of complex financial instruments that influence market movements.

Institutional investors have largely abandoned a controversial trading strategy known as portfolio insurance, in which stock futures were sold when stocks fell — a technique blamed for feeding the collapse. Instead, they have turned to complex strategies using derivative investments that allow them to hedge bets without putting direct pressure on falling prices. Some analysts worry that even these investments pose potential, but still unseen, threats to the market's health.

The specialist firms — groups of traders who win a franchise to handle a single stock in exchange for accepting the duty to keep trading orderly — are now stronger financially.

NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time. The list compiled by the NASD consists of the most traded securities in terms of dollar value. It is updated twice a year.

High	Low	Stock	Div	Yield	PE	High	Low	PA	Chg
14 3/4	14 1/2	AA	0.00	0.00	10.00	14 3/4	14 1/2	14 1/2	0
14 1/2	14 1/4	ABC	0.00	0.00	10.00	14 1/2	14 1/4	14 1/4	0
14 1/4	14 1/8	DEF	0.00	0.00	10.00	14 1/4	14 1/8	14 1/8	0

High	Low	Stock	Div	Yield	PE	High	Low	PA	Chg
14 3/4	14 1/2	AA	0.00	0.00	10.00	14 3/4	14 1/2	14 1/2	0
14 1/2	14 1/4	ABC	0.00	0.00	10.00	14 1/2	14 1/4	14 1/4	0
14 1/4	14 1/8	DEF	0.00	0.00	10.00	14 1/4	14 1/8	14 1/8	0

AMEX

Thursday's Closing
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High	Low	Stock	Div	Yield	PE	High	Low	PA	Chg
14 3/4	14 1/2	AA	0.00	0.00	10.00	14 3/4	14 1/2	14 1/2	0
14 1/2	14 1/4	ABC	0.00	0.00	10.00	14 1/2	14 1/4	14 1/4	0
14 1/4	14 1/8	DEF	0.00	0.00	10.00	14 1/4	14 1/8	14 1/8	0

High	Low	Stock	Div	Yield	PE	High	Low	PA	Chg
14 3/4	14 1/2	AA	0.00	0.00	10.00	14 3/4	14 1/2	14 1/2	0
14 1/2	14 1/4	ABC	0.00	0.00	10.00	14 1/2	14 1/4	14 1/4	0
14 1/4	14 1/8	DEF	0.00	0.00	10.00	14 1/4	14 1/8	14 1/8	0

High	Low	Stock	Div	Yield	PE	High	Low	PA	Chg
14 3/4	14 1/2	AA	0.00	0.00	10.00	14 3/4	14 1/2	14 1/2	0
14 1/2	14 1/4	ABC	0.00	0.00	10.00	14 1/2	14 1/4	14 1/4	0
14 1/4	14 1/8	DEF	0.00	0.00	10.00	14 1/4	14 1/8	14 1/8	0

High	Low	Stock	Div	Yield	PE	High	Low	PA	Chg
14 3/4	14 1/2	AA	0.00	0.00	10.00	14 3/4	14 1/2	14 1/2	0
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14 1/4	14 1/8	DEF	0.00	0.00	10.00	14 1/4	14 1/8	14 1/8	0

High	Low	Stock	Div	Yield	PE	High	Low	PA	Chg
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14 1/4	14 1/8	DEF	0.00	0.00	10.00	14 1/4	14 1/8	14 1/8	0

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14 1/4	14 1/8	DEF	0.00	0.00	10.00	14 1/4	14 1/8	14 1/8	0

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14 1/4	14 1/8	DEF	0.00	0.00	10.00	14 1/4	14 1/8	14 1/8	0

Any Sets Up
Secretary Book

ANY RESULTS
United States

NYSE
Closing

كلانا من الأهل

كندا من لاجل

Colony Sets Up Monetary Body

By Laurence Zuckerman
International Herald Tribune
HONG KONG — The colony moved a step closer to establishing a central bank on Thursday as officials unveiled legislation to create a single, quasi-independent monetary authority...

Foreign Cash Floods H.K. Market

Compiled by Our Staff From Dispatches
HONG KONG — Hong Kong stock prices soared to a new high Thursday on the market's second-largest volume ever as foreign investors rushed to grab a stake in the boom economies of Hong Kong and China...

Ito-Yokado Finds Silence Is Costly

Compiled by Our Staff From Dispatches
TOKYO — Tokyo police arrested a board member and two managers of Ito-Yokado Co., a leading supermarket chain, on suspicion they paid gangsters to intimidate stockholders into silence at a meeting in May, police said Thursday...

Investor's Asia

Table with columns: Exchange, Index, Thursday Close, Prev. Close, % Change. Includes data for Hong Kong, Singapore, Tokyo, Sydney, Kuala Lumpur, Bangkok, Seoul, Taipei, Manila, Jakarta, New Zealand, Bombay.

China Travel Stock Expected to Sell Out Fast

Bloomberg Business News
HONG KONG — Shares in China Travel International Investment Hong Kong, which controls two theme parks and a railroad freight company, are expected to sell rapidly when the China-controlled concern makes an initial public offering next week...

Very briefly:

- India said proposals from nationals wishing to invest in joint ventures abroad would from now on be approved within 30 days, while import rules would be relaxed for 18 categories of items.
NEC Corp. agreed to a marketing deal in Japan with Digital Equipment Corp. for software used in the design of integrated circuits.

COMPANY RESULTS

Table of company financial results with columns for company name, revenue, profit, and share price. Includes companies like United States, Air Products & Chem., Dow Chemical, Black & Decker, etc.

NYSE Thursday's Closing

Table of NYSE stock market closing prices for various sectors including High, Low, and Volume. Includes sub-sections for High, Low, and Volume.

Japan Carmakers Expect U.S. Stability

TOKYO — The Japan Automobile Manufacturers Association foresees no major change in U.S.-Japan auto-industry relations, even if the Democratic candidate, Bill Clinton, wins the Nov. 3 election, the group's chairman said Thursday.

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Face-off over Iraq
Maastricht ratification

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Table showing subscription rates for different countries and currencies, including Australia, Canada, France, Germany, etc.

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SPORTS HORSE RACING

Stellar Field Set in Breeders' Cup

Irish Derby Winner St Jovite Withdrawn Because of Illness

MIAMI BEACH, Florida — The Irish Derby winner, St Jovite, was withdrawn Thursday from the Breeders' Cup races in the United States because of a respiratory infection, but that only slightly diminished a stellar international field for the thoroughbred racing extravaganza on Oct. 31.

Jockey Club Gold Cup winner Pleasant Tap, Arc d'Triomphe winner A.P. Indy and Kentucky Derby champion Strike the Gold topped a list of 112 horses pre-entered Wednesday for the Breeders' Cup. Also expected to run on the seven-race card for \$10 million in purses at Gulfstream Park are Canadian star Sky Classic and Arazzi, the French horse who won the 1991 Breeders' Cup Juvenile.

Arazzi is one of three former winners entered. The others are Meadow Star, the winner of the 1990 Juvenile Fillies, and Sheikh Albadou, who will defend his sprint championship.

The final entries are due and post positions will be drawn Oct. 28.

The lineup includes a large number of top European horses. In addition to Arazzi and Sheikh Albadou, they include English Derby winner Dr. Devious and Rodrigo de Triano.

Dr. Devious was sold Thursday for \$6 million to Zenya Yoshida of Japan.

Yoshida, who bought Carroll House after he won the 1989 Prix de l'Arc de Triomphe, outbid Britain's National Stud to purchase Dr. Devious from his American owner, Sidney Craig. After the Breeders' Cup, Dr. Devious is expected to run in the Japan Cup.

St Jovite's trainer, Jim Bolger, said in Dublin that the colt would not be ready in time for the races at Gulfstream Park.

"He will be all right in a week or two, but won't be ready in time for the Breeders' Cup," said Bolger. "You've seen the last of him in Ireland. The horse is going to America to race as a 4-year-old and will eventually stand at stud there."

Allen Paulson, who is the co-owner of Arazzi, said, "The best in the world" will be running in the Breeders' Cup.

Beyond the \$10 million in purses, Eclipse Awards in all divisions and breeding value also are on the line in the Breeders' Cup. Arazzi was pre-entered in both the \$1 million Mile and the \$3 million Classic.

Whichever race the France-based 3-year-old starts, his jockey is scheduled to be Pat Valenzuela and not Steve Cauthen.

Under their agreement, Paulson makes the decision when Arazzi races in the United States, while co-owner Sheikh Mohamed al Maktoum of Dubai makes the decision when the colt races in Europe. So Paulson said Valenzuela will be the jockey.

"He has ridden him in the [Kentucky] Derby and Breeders' Cup and he knows American tracks," Paulson said. Cauthen, the Kentucky native who won the Triple Crown with Affirmed in 1978, has been based in England since 1979 and rarely races in the United States.

Paulson said he and the colt's trainer, François Boutin, plan to wait at least a week before deciding which race to run.

"Both of us are leaning toward the Classic," Paulson said. "It's not

in concrete yet. He will ship on Sunday and breeze Wednesday and then Boutin will make the decision."

Both races are for 3-year-olds and up. The Classic is at 1 1/4 miles on the dirt. The Mile is on the turf, the only racing surface in Europe, where Arazzi has made all his starts except two.

"We asked an awful lot of him as a 2-year-old," Paulson said. "After the Derby he had low blood and a lung infection. I think he's the real Arazzi. It would be nice to prove to the world he can run further and win. I think the horse, on any given day, can win at a mile and a quarter. The horse is in great shape."

The apply named Sky Classic could lay claim to Horse of the Year consideration with a good showing in the \$2 million Breeders' Cup Turf. The Canadian son of Nijinsky II has won five races this year and most recently broke Secretariat's 19-year-old Belmont grass course record by winning the 1 1/4-mile Turf Classic in 2:24 2/5.

Sky Classic's challengers will be led by Subotica and winner Dr. Devious.

Two championships are on the

line in the 1 1/4-mile Breeders' Cup Distaff for fillies and mares. Pasena will try to avenge her defeat by Fowda in Keeneland's Spinster Stakes and win the older filly and mare title. Also in the hunt is 3-year-old filly Saratoga Dew, who won the Beldame Stakes.

Five of the seven races have more than the maximum number of 14 horses pre-entered. The fields announced Wednesday include the eight horses who have amassed the most points in graded North American races plus six others selected by a panel of racing experts. Others are placed on an "eligible" list in case of defections.

The Breeders' Cup Mile, a European favorite, drew 24 pre-entries, nine from Europe, led by George Strawbridge's Seikidai and Moyglare Stud's Brief Truce.

Sheikh Albadou will try to make it two straight when he takes on division leader Rubiano in the six-furlong Sprint. Rubiano, trained by Scotty Schulhofer, has won eight of his last nine starts, including a victory over Sheikh Albadou in the seven-furlong Vosburgh Stakes at Belmont.



Goalkeeper Bruce Grobbelaar, repulsing one attack, was sent off during the match in Moscow.

Liverpool Loses, 4-2

MOSCOW — Zimbabwean goalkeeper Bruce Grobbelaar was sent off after allowing two of Spartak Moscow's goals and Liverpool lost, 4-2, Thursday in a Cup Winners' Cup second-round, first-leg match played in rain mixed with snow.

With the score 1-1 on Mark Wright's goal, Grobbelaar put Spartak ahead when he tried to take the ball around a Spartak player outside his area and passed straight to Valeri Karpin, who shot into an empty net.

Liverpool tied in the 79th minute on Steve McManaman's angled shot between goalkeeper Stanislav Cherchesov and the post.

But six minutes from the end, Grobbelaar was sent off for tripping Dmitri Radchenko as the striker attempted a header. Left-back David Burrows, who replaced Grobbelaar in goal, could not stop Valeri Karpin's penalty kick in the 82d minute.

In the 89th minute, Igor Ledaykov scored the fourth goal.

● In Copenhagen, Real Zaragoza, on Gustavo Poyser's goal in the 12th minute, beat FC Copenhagen, 1-0, in a second-round first-leg match of the UEFA Cup tournament.

SCOREBOARD

HOCKEY	
NHL Standings	
WALEE CONFERENCE	
Team	W L T Pts
Pittsburgh	10 1 1 22
NY Rangers	8 2 0 17
New Jersey	4 3 0 8
NY Islanders	3 4 1 7
Philadelphia	3 4 1 7
Washington	3 4 1 7

WEDNESDAY'S RESULTS	
Game	Score
Ruthts (1) vs. LaPorte (15)	1-0
May (2) vs. Andover (4)	2-1
Chicago (1) vs. Buffalo (2)	1-0
Buffalo (1) vs. Buffalo (2)	1-0
Buffalo (1) vs. Buffalo (2)	1-0

European Club Cups

Competition	Match	Score
UEFA Cup	Paris Saint-Germain vs. Borussia Dortmund	1-0
	Paris Saint-Germain vs. Borussia Dortmund	1-0
Cup Winners' Cup	Paris Saint-Germain vs. Borussia Dortmund	1-0
	Paris Saint-Germain vs. Borussia Dortmund	1-0

TRACK & FIELD

Event	Winner	Time
100m
200m
400m

BASEBALL

Team	W	L	T	Pts
...
...

EC Says That FIFA Broke Rules on '90 Cup Tickets

BRUSSELS — The European Commission has ruled that FIFA broke EC fair competition rules by denying travel companies the right to offer match tickets with package trips to the 1990 World Cup. Commission officials said Thursday.

Although it has taken the Commission two years to act, its ruling could help thousands of people across Europe to get cheaper deals for trips to major soccer events in the future, officials said.

FIFA struck an exclusive deal with two Italian travel agencies on tickets for the 1990 World Cup, which prevented other travel companies from including match tickets in special package holidays to Italy.

The executive Commission, acting on complaints from a Belgian travel agency, has ruled that the arrangement broke European Community rules on fair competition and will announce Tuesday that it is illegal, the officials said.

FIFA argued that the deal was needed to keep control of security at the World Cup but the Commission found that this could have been done without limiting the agreement to two travel companies, the officials added.

BOOKS

THE HACKER CRACKDOWN: Law and Disorder on the Electronic Frontier

By Bruce Sterling. 328 pages. \$23. Bantam Books Inc., 666 Fifth Avenue, New York, New York 10103.

Reviewed by Curt Supple

IN June of 1989, folks who dialed up the Palm Beach County Probation Department in Florida got a nasty surprise. Computer hackers had cracked the system and did the switching software so that probation department calls were automatically rerouted to a phone-sex "hotline" in New York.

The gag prompted widespread stinging in the hacker underground. It also produced molar-grinding horror among telephone company executives. And rightly so: If the electro-manuals had altered their programming by only a couple of numbers, they could just as easily have switched all 911 emergency calls to a Fizza Hut. People, maybe lots of people, could die waiting for cops or ambulances while the sabotaged system was being fixed.

Given that catastrophic potential, how should law enforcement respond to such acts? Should perpetrators be treated as misquidated white kids whose intellectual curiosity techno-scum whose pernicous possibilities an increasingly computer-

BRIDGE

By Alan Truscott

ON the diagrammed deal, the post-mortem revealed a weird exception to the general rule:

NORTH
 ♠ J 7
 ♥ A K Q 8 3
 ♦ Q J 8 7
 ♣ A K 10 6 2

EAST
 ♠ 9 8 5
 ♥ 10 8 5 3
 ♦ 10 6 5 4 3 2
 ♣ A K 9

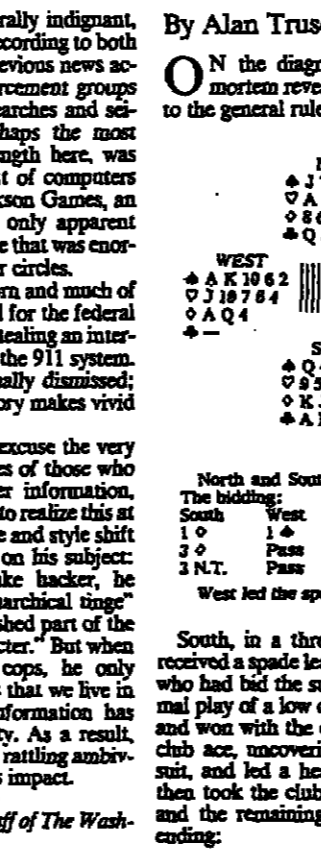
SOUTH (D)
 ♠ Q 4 3
 ♥ 8 7 6
 ♦ K 10 7 2
 ♣ A K 9

North and South were vulnerable. The bidding: West 1♣, North 1♥, East 2♥, South 3♥, West 3NT, East Pass, South Pass.

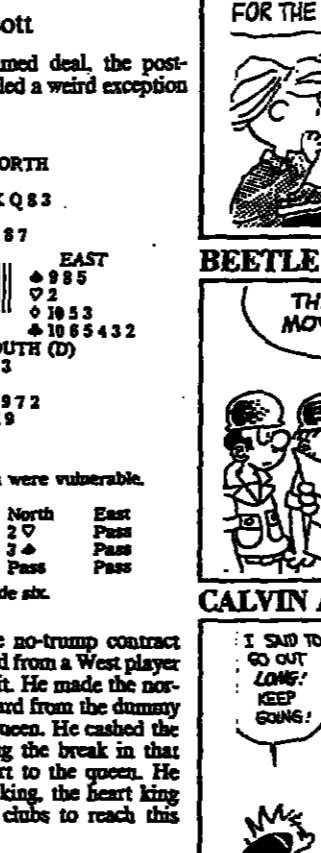
West led the spade ace.

South, in a three no-trump contract, received a spade lead from a West player who had bid the suit. He made the normal play of a low card from the dummy and won with the queen. He cashed the club ace, uncovering the break in that suit, and led a heart to the queen. He then took the club king, the heart king and the remaining clubs to reach this ending:

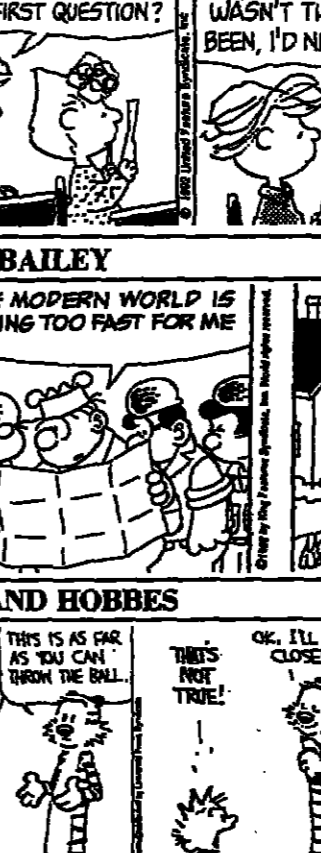
PEANUTS



BEELE BAILEY



CALVIN AND HOBBES



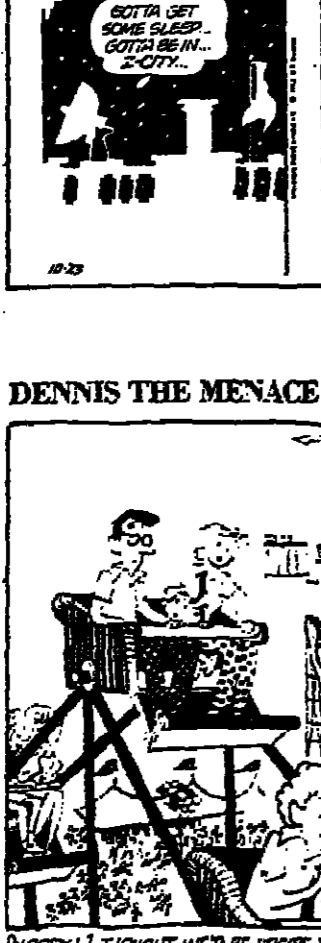
WIZARD OF ID



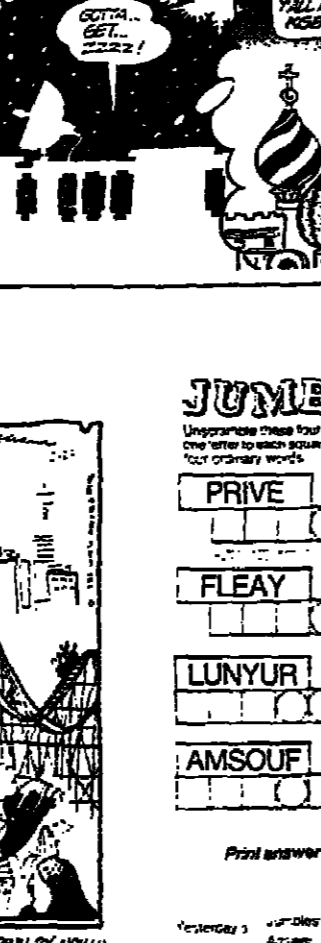
REX MORGAN



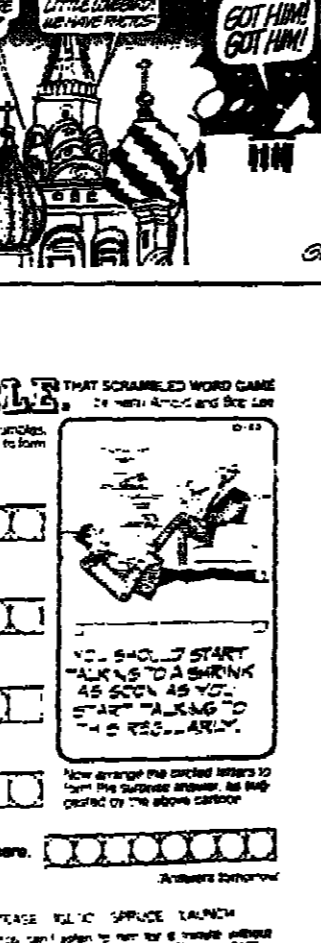
DOONESBURY



JUMBLE



BLONDIE



DENNIS THE MENACE



GARFIELD



OBSERVER

Why Bother Voting?

By Russell Baker
NEW YORK — After a week of gloom in campaign news, campaign polls, campaign editorials, campaign debates, TV and print analysis of campaign debates, not to mention the campaign insights, reflections, clarifications, expostulations, whinnies, whoosings, scoerings, cheerings, frothings, sermonizings and rationalizations of pundits, both printed and tubed, I'll tell you how it feels to me. It feels like Clinton has already been president so long that I'm tired of him.

The press has since diversified into an octopus called "media," but it is just as impatient with democracy as it was in Dewey's day. Why wait for people to vote when you can tell them ahead of time who they're going to vote for? Getting the new man in office pronto enables the news-opinionizing-entertainment industry to move on to fresh subjects. Who'll be the new secretary of state? What prize for the kingmaker who delivered the crucial state of South Carolina during the primaries? Will he be rewarded with the coveted ambassadorship to the Court of Zippy Zap?

The press's passion for getting things like elections over and done with usually puts it out of sync with the voting public. For instance, take a historic staple of old-fashioned election reporting like the "voter apathy" story. This usually appeared in early October when reporters who had been covering politics for a solid year were bored sick with the campaign. The result: a spate of stories about alarming apathy among the voters.

In fact, the average voter rarely paid much heed to politics until after the World Series — this was back before baseball became a winter sport — and was just starting to find the campaign engaging as the press was getting fed up with it. The "voter apathy" story led naturally to the "taking off of the

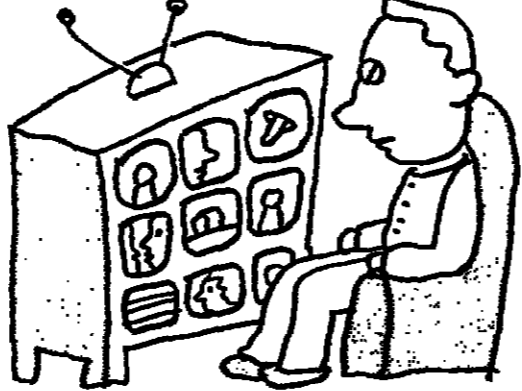
gloves" story. In this one the reporters, as though fighting their own apathy, depicted the campaign as moving on to new levels of violence which would surely end the deplorable "voter apathy." The story usually announced that the candidate "took off the gloves" by saying something tart about his opponent. This invited the "hit back hard" story, in which the opponent was said to have "hit back hard" with whatever his reaction had been to the "taking off of the gloves." These primitive tricks are laughable to today's reporters. They have been blessed by the perfecting of sciences that explore the human psyche in order to exploit the human it operates.

These sciences produce avalanches of data that make life easier not just for cereal tycoons eager to know whether America is ready to breakfast on hay flakes, but also for media people eager for something more elegant than "voter apathy" and "taking off the gloves" to overcome ennui. They have provided the stuff that makes it possible for the press to give us President Clinton without tiresome waiting for the polls to open. The advantage of this is that it gives you a chance to think again before the polls do open.

I get accustomed to new presidents faster and faster as the presidencies roll by. After a month of Ronald Reagan, I missed Jimmy Carter. After two weeks of George Bush, I missed Ronald Reagan. After one week of Bill Clinton, I miss — well, never mind that. I hesitate to dwell on Clinton's flaws just now when the usual press buildup is in progress. When the press was hailing Gerald Ford as the new Lincoln because he toasted his own English muffins for breakfast, I was called cynical for saying, "Sure, but can he fry an egg sunny side up without breaking the yolk?" All I'll say now is that Clinton strikes me as a president who could make us miss Calvin Coolidge. Coolidge had so little talk in him that he wouldn't even reply when people said, "Hello." Say "Hello" to Clinton, and he gives you a 14-point program to fix whatever ails you. His inauguration isn't until Jan. 20. The speech could run through Lincoln's Birthday.

In Global Village, TV Is Lingua Franca

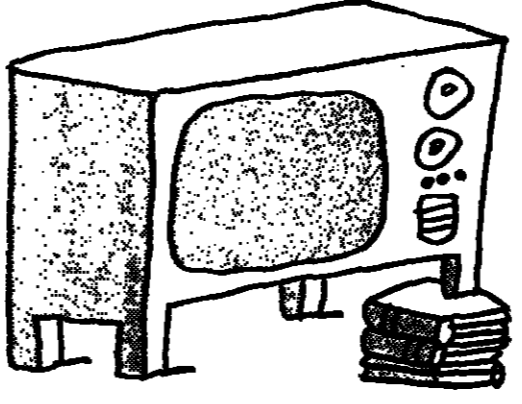
By John Lippman
LOS ANGELES — Nearly 30 years after the Canadian philosopher Marshall McLuhan coined the phrase "global village" to describe how the electronics revolution was shrinking the world and shortening the time between thought and action, the Media Millennium is at hand. TV sets are more common in Japanese homes than flush toilets. Virtually every Mexican household has a TV, but only half have phones. More than half of Americans alive today may not remember a time without TV in their homes. They're surprised if someone doesn't have 25 or 30 channels to choose from. But for much of the globe, television is still relatively new, and changing fast. Today, there is hardly any spot on Earth untrammelled by a satellite "footprint" — the area, sometimes spanning continents, within reach of signals from its parabolic antennas. The rapid inroads of satellite-based "borderless televi-



sion" are changing the way the world works, the way it plays, even the way it goes to war and makes peace. Even countries that have long limited what their citizens can watch on nationalized TV are slowly being forced to relax their vice-like grip. Madonna writes on MTV videos around the world. A deputy police chief in Moscow is distracted during an interview by Super Channel, a British cross between MTV and "Entertainment Tonight," which blazes incessantly in many Russian homes and offices. Dozens of pan-European satellite channels, beaming everything from highbrow French talk shows to Dutch pornography, trespass national borders without visas. "Los Simpsons" becomes a top-rated TV show in Colombia and Argentina. Consider: More than 1 billion TV sets now populate the globe, a 50 percent jump over the last five years. The number is expected to continue growing by 5 percent annually, and by more than double that in Asia, where half the world's population lives. Worldwide spending for television programming is now about \$65 billion, and the tab is growing by 10 percent per year, according to Neal Weinstock, media project director for the New York research firm Frost & Sullivan Inc. TV programs are a major U.S. export now worth about \$2.3 billion annually. The number of satellite-delivered TV services around

the world is more than 300 and climbing rapidly, says Mark Long, publisher of the World Satellite Almanac. Truly global "super channels" such as MTV reach hundreds of millions of households, while CNN is seen in 137 countries. Scores of new communications satellites are planned for launch in the next five years, which will mean a huge jump in the number of space-borne TV channels. The cultural, political and economic effects of this global television revolution are enormous. Whether in the situation room at the White House or in living rooms at home, it is clear to viewers that television is no longer simply a limp witness to history. Television is how most people now experience history, as happened when viewers watched live satellite pictures of Scud missiles whizzing down on Israel during the Gulf War. Conversely, history is now shaped by television, a reality eloquently symbolized by East German youths when they hoisted MTV banners over the Berlin Wall as it was torn down. The Oxford political scientist Timothy Garton Ash dubs television "the third superpower" whose influence will only grow as satellites and cable revolutionize its content. A complex set of problems and issues arise from that power. Ash warns that borderless TV threatens to make even more painfully obvious the economic gulf between rich and poor nations. Diplomats in Libya contend that television is undermining the regime of Moammar Gadhafi by sowing a subversive population with the consumer product delights seen in Italian commercials. Even more alarming to some is the prospect of a world full of couch potatoes. The French now spend more time watching TV than working. Spanish schoolchildren watch more than their American counterparts. Some worry that all that TV watching will make the rest of the world lose its appetite for reading, as has already happened to two generations of Americans. With satellites beaming down literally hundreds of TV channels over the continents and oceans, countries lose control over the information crossing their borders — an unstoppable migration of ideas, images and culture that raises basic questions about the meaning of national sovereignty in the modern world. "The nation-state is less and less able to control what goes in and out of it," said Everett E. Dennis, a media scholar and executive director of the Freedom Forum Media Studies Center. "It really makes customs and other nuances from the past kind of irrelevant."

Occasionally, the attempts to block these images are comical. On Egyptian TV, which abides by strict Islamic code, kisses on screens of "Dallas" and "Falcon Crest" are edited out after the first split-second smooth. Even that's too risky for neighboring Saudi Arabia, which protests that viewers in Jidda can receive the Egyptian TV signals and people in the south can watch Yemen's televised Parliament. Satellite dishes "bring in all kinds of evil and corruption," said Saudi Arabia's chief Islamic scholar, Sheikh Abdul Aziz ibn Baz, who ruled that the dishes violate tenets of Islam. Neither quotas nor religious edicts are likely to slow the onslaught of borderless television. Rather than homogenizing the world, it is likely that the revolution will instead lead to a greater diversity in programming, especially as developing states become more sophisticated in the use of the medium.



PEOPLE

Julia Roberts Looking For a Leading Man

Whereas art thou, William? The \$25-million British production of "Shakespeare in Love," starring Julia Roberts, has been halted indefinitely after the producers, Pine-wood Studios, were unable to find a suitable leading man. There were rumors that Roberts had quit the movie after Daniel Day-Lewis, who was said to be her choice for Shakespeare, turned down the part. But the film's producer, Terry Chugg, said Roberts was keen to continue.

What a difference a little publicity makes: Arnold Schwarzenegger has decided to terminate a \$23,000 debt owed by Janice Nickerson, the widow of a man who died before completing work to install cinema equipment at the actor's home. Nickerson had accused the actor of playing "hardball."

A California jury has rejected a nearly \$3 million palimony claim brought against the estate of the late millionaire Henry Mudd by one of his seven former mistresses. The onetime stripper Eleanor Oliver, 41, claimed she had an agreement to provide Mudd with wife-like companionship during their 13-year relationship. In exchange, Oliver said, Mudd promised to set up trusts giving her lifetime support and letting her stay in a \$600,000 home. Oliver sued Mudd just a month before he died in 1990. Jurors agreed there was a contract between the two, but found that Oliver had ended the relationship by suing Mudd.

Luciano Pavarotti says he was wrong to lip-synch during a concert in Modena, Italy, and will refund a share of what the BBC paid for the broadcast rights. "If the BBC wants the money back, we'll give the money back," he said.

Sales of Madonna's "Sex" have been brisk around the world. But in New York, some customers were returning copies of the \$49.95 book, complaining that the spiral binding holding the photos had broken and cut into the pages.

The French Academy awarded its prize for the year's best novel to Franz-Olivier Giesbert, editor of "Le Figaro," for his book "L'Affreux."

TODAY'S REAL ESTATE MARKETPLACE
Appears on Page 6
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